[fol. 1052] Page three shows that, of the 18,900 cars loaded to less than the minimum weight, 11,320, averaging 36,769 pounds, moved during the first period when the minimum weight was 40,000 pounds and 7,580, loaded to an average of 40,194 pounds, moved during the second period when the minimum weight was 44,000 pounds.

According to page 1, the total tonnage transported during the entire season was 1,811,711,000 pounds, of which, according to page three, 720,900,100 pounds, or 39.79 percent was moved in cars that did not quite come up to the carload minimum weight. In this connection, sight should not be lost of the fact that the reason for 39 and a fraction percent of the tonnage having been loaded to slightly less than the minimum weight was the direct result of the loading operation being performed by labor saving and expense saving mechanical devices as contrasted with hand labor, by the use of which there would have been no difficulty about getting well in excess of the published minimum weight in all of the cars.

[fol. 1053] It may seem, offhand, that the failure to load 18,900 cars in one season quite as heavily as the carload minimum weights would penalize the shipper rather seriously. To determine whether or not this was the case, I have prepared and now offer as my Exhibit No. 39(J) a statement of three pages analyzing the 1948-49 season's movement from the standpoint of the rate penalty payable for the use of mechanical equipment and thus loading a fraction over 39 percent of the tonnage in cars that carried somewhat less than the minimum weight. The first page of this statement shows the number of cars loaded to somewhat less than the minimum weight that moved during the first period, i. e., October 26, 1948, to January 31, 1949, inclusive. It also shows the actual weight transported in these cars in comparison with the carload minimum weight and, in the last column, the deficit in weight below the minimum. Page two makes a similar showing as to the movement during the second period, i. e., February 1st to March 22, 1949, inclusive.

In the upper half of page three I show, in the first column, the total number of cars on pages one and two, that is, for both the first and second periods of the entire season, loaded to less than the minimum weight. In column two have been shown the totals of the weight deficits for the first and sec-

ond periods shown in the last columns on pages one and two. Because all rates are stated in cents per net ton, column three converts the figures in column two into units of net tons. The rate to Clewiston at time of movement is shown in column four and in the next column are shown the penalties in dollars for failure to load to the minimum, [fol. 1054] divided among each of the origins. The total for the season, it will be noted, was $14,740.26. From the last column it will be observed that, stated in cents per car, this was an average penalty of 78 cents for the movement as a whole, or rather for only that part of the movement that was loaded to less than the minimum weight. The penalties so applicable on the cane from the respective shipping points ranged from zero at Shawnee and an average of 34 cents per car at Ritta to 99 cents per car at Runyon. Please bear in mind that these average penalties per car were not predicated upon the entire movement of 42,907 cars, but only upon the 18,900 cars that were loaded to less than the minimum weight. Had all of the cars in the movement been divided into the penalty charge it follows that the average per car penalties would have been less than half of the figures shown.

The bottom half of page three is similar to the top half except that, whereas the top half shows the total and average penalty payments actually due on basis of the rates and minimum weights in effect during the 1948-49 season, which rates as previously explained do not include increases under either Ex Parte 148, Ex Parte 162 or Ex Parte 166, the bottom half shows what the penalties would have been on the same movement had the rates proposed by the railroads, i. e., the rates in the upper half of the page, increased 15 percent under Ex Parte 162 and further increased 25 percent under Ex Parte 166, been in effect. It will be observed that on this basis the total penalty per car on the cars loaded [fol. 1055] to less than the minimum weight would have been only $1.13.

I think the information contained in Exhibits 36(G) to 39(J), inclusive, should enable the Commission to determine whether or not the present carload minimum weights are too high, but I think that these and other exhibits which I have filed, or will file, should also enable the Commission to determine whether, in the event it should be decided that some

reduction in the carload minimum weight is in order, there ought to be a compensating increase in the rates. In my outline dealing with the historical background of these rates I have shown that on numerous occasions when the Sugar Company besought the railroads to reduce the minimum weight the railroads indicated a willingness to do this provided the Sugar Corporation would agree to a compensating rate increase, thus preserving the per-car revenue which has always been considered by the railroads as being on an extremely depressed basis.

[fol. 1056] In order that a better idea may be had as to just what carload minimum revenue is applicable and has been applicable on this traffic in the eight harvest seasons since publication of the tariff of net transit rates filed with the Florida Commission, I offer as my Exhibit No. 40(K) a statement of one page showing in chronological order the carload minimum charges applicable to Clewiston from all of the origins from which cane was shipped to Clewiston during the 1948-49 season.

My Exhibit No. 33(D) is a chronological statement of the rates and my Exhibit No. 35(F) is a chronological statement of the carload minimum weights. Exhibit No. 40(K) is the product of the two, the changes in carload minimum charges having resulted in some cases from a change in the rates and in others from a change in the minimum weights. An examination of the exhibit will disclose that the carload minimum charges in effect during the 1948-49 season and still in effect range between the absurdly low figures of $6.00 and $12.10 per car. They are actually lower, because the rates are the same but the carload minimum weights are lower, than made effective for the 1941-42 season as result of the compromise made with the President of the Sugar Corporation at the November 17, 1941, conference.

The figures at the foot of the page show what the carload minimum charges would be if the present rates were increased under Ex Parte 162 and Ex Parte 166 as proposed by the railroads. Even on this basis railroads would earn [fol. 1057] during the first period of the season amounts ranging from only $8.80 to $15.80 per minimum car of 40,000 pounds and, during the second period, amounts ranging from only $9.68 to $17.38 per minimum car of 44,000 pounds. Even the carload minimum charge published in Rule 13 of

Consolidated Classification, Agent R. E. Boyle's ICC No. 106, is $25.00 per car, including Ex Parte 162 and 166 increases, and it is subject to the Ex Parte 168 interim increase of 6 percent. That minimum charge, however, does not apply on sugar cane.

[fol. 1058] Having shown in my Exhibit No. 40(K) the minimum per car charges in effect during the 1948-1949 harvest season in comparison with the minimum per car charges proposed for application in future harvest seasons, I think it would now be well to show the freight revenue on the actual movement during the 1948-49 harvest season on basis of the rates then and now in effect compared with what the revenue would have been had those rates been revised to include the Ex Parte 162 and Ex Parte 166 increases, i. e., the rates we are now proposing. This information is set forth in the statement of one page now offered as my Exhibit No. 41(X). It shows the actual movement for the 1948-49 season divided according to origins. The tonnage shown in the first column, opposite each origin, represents the total weight of cane in all of the cars shipped except that if in any case the actual loading was less than the carload minimum weight then the carload minimum weight for that carload rather than its actual weight has been included in the total.

The statement shows the present rates from each of the origins to Clewiston and the revenue arrived at by applying those rates to the tonnage. In the last block have been shown the proposed rates, that is, the present rates plus Ex Parte 162 and Ex Parte 166 increases, and revenue resulting from application of such rates to the tonnage.

It will be noted that the applicable revenue on last season's movement of 938,565 tons was $412,646.82, an average transportation charge of just under 44 cents per ton. Had the rates in effect last season included the Ex Parte 162 and Ex Parte 166 increases the applicable revenue would have been $595,713.18, an average of just under 63½ cents per ton. In other words, on this movement of 938,565 tons the Atlantic Coast Line Railroad and Florida East Coast Railway were deprived of $183,066.36 by reason of the Florida Commission denying authority to apply these Ex Parte increases.

[fol. 1059] I now offer as my Exhibit No. 42(L), a state-

ment showing the mileage scales of rates on sugar cane prescribed by the Florida Railroad Commission many years ago and now published in the intrastate local tariffs of the Atlantic Coast Line Railroad and Florida East Coast Railway. These are the rates that would apply in the absence of the net transit rates on sugar cane under consideration in these proceedings. The scales shown in Exhibit No. 42(L) would apply, however, only on traffic from Atlantic Coast Line Railroad stations. On traffic from Florida East Coast Railway stations the rates would be predicated on full combinations of these scales for the respective distances of the Florida East Coast Railway to Lake Harbor and of the Atlantic Coast Line beyond. I should also like to remind you that even these rates, although considerably higher than our net transit rates, have not yet been increased under Ex Parte 148, Ex Parte 162 or Ex Parte 166, but are the same rates as were in effect back in 1938.

[fol. 1060] Since accurate comparisons with the actual rates to Clewiston, about half of which are for joint hauls, cannot be made by reference to single line scales as shown in Exhibit No. 42(L), I now offer as my Exhibit No. 43(M) a statement showing what the actual rates from the Florida shipping points to Clewiston would be on basis of the mileage scale shown in Exhibit No. 42(L) from Coast Line stations and on basis of combinations thereof from Florida East Coast Railway stations. These rates also do not include and are not subject to any of the increases made under Ex Parte 148, Ex Parte 162 or Ex Parte 166. However, it will be seen that from all Coast Line stations the rate prescribed by the Florida Commission, which would be applicable in the absence of the net transit rates here under study, would be 71 cents per ton as compared with present rate of 30 cents and proposed rate of 44 cents from the nearby Coast Line stations and present rate of 40 cents and proposed rate of 58 cents from the most distant Coast Line stations. From the nearer Florida East Coast stations, the rate prescribed by the Florida Commission is 128 cents per ton as compared with present rate of 35 cents and proposed rate of 50 cents, while from Canal Point the Florida Commission's prescribed rate is 138½ cents as compared with present rate of 55 cents and proposed rate of 79 cents. Bear in mind that, as shown by the note on Exhibit 42(L), the

rates so fixed by the Florida Commission are not local rates in the ordinary sense, but are themselves in the nature of transit rates and applicable only when the product of the cane is shipped from Clewiston via Atlantic Coast Line Railroad. If the sugar produced from the inbound cane is not shipped out via ACL the rates just named are doubled, ranging from 142 cents per ton from Coast Line stations to 277½ cents per ton from Canal Point on the Florida East Coast Railway.

[fol. 1061] I think unquestionably the best standard by which to judge the reasonableness of the rates and per-car revenues on sugar cane from South Florida points to Clewiston is to compare them with the rates and revenues on sugar cane which moves from producing points to sugar mills in the long established cane sugar producing State of Louisiana. For many years there has been a heavy movement of cane from Louisiana fields to mills. The Louisiana Public Service Commission has prescribed maximum scales of rates on this movement, one scale for application only when the entire product of the cane is reshipped via roads handling the cane to the mill and another for application when the entire product of the cane is not reshipped via roads handling the cane to the mill. The latter is exactly double the former. These are single line scales, the Louisiana Commission having required that on joint haul movements full combinations of the scales for the distances to and beyond the junction points be applied without the usual 10 percent deduction from the separate factors. The scales so prescribed are subject to carload minimum weight of 30,000 pounds.

Several years ago, the cane originating roads in Louisiana voluntarily established for distances of 20 miles and less a lower scale of rates but subject to carload minimum weight of 50,000 pounds. This scale was also applicable only in the event of reshipment of the entire product of the cane via the road hauling cane into the mill. In keeping with the Louisiana Commission's prescribed basis, the Louisiana roads also published a corresponding mileage scale, made 200 percent of that just mentioned, for applica-

[fol. 1062] tion when the entire product of the cane was not shipped via roads handling cane into the mill. These voluntarily reduced rates, subject to the 50,000-pound mini-

mum, were considered extremely low and the Louisiana roads were not willing to make them effective unless subject to expiration date. They were continued in effect for several years, but because they were so low the Louisiana roads determined last season that they could not afford to extend the expiration date and, therefore, the rates were allowed to expire with March 31, 1949.

My Exhibit No. 44(N) is a comparison of the present scale of rates, carload minimum weight 30,000 pounds, prescribed by the Louisiana Commission for distances of 100 miles and less with the formerly applicable scale of rates for distances of 20 miles and less, carload minimum weight 50,000 pounds, which expired last March. I call your attention to the fact that even the rates, subject to minimum weight of 30,000 pounds, prescribed by the Louisiana Commission were considered so low, and the railroads were so dissatisfied therewith, that they were published under protest and subject to the reservation quoted in Note "A" of the exhibit. The Louisiana rates prescribed by the Commission, and also those formerly maintained by the railroads as a temporary measure, included Ex Parte 162 and Ex Parte 166 increases as authorized by the Louisiana Commission.

[fol. 1063] Because the mileage scale applicable on sugar cane moving to Clewiston applies for both single line movements from Atlantic Coast Line Railroad origins and joint line movements from Florida East Coast Railway origins, while the Louisiana mileage scales shown on Exhibit No. 44(N) apply or applied for single line movements only, combination being applicable for joint line movements, I have shown on Exhibit No. 45(O) the actual rates from the Florida producing points to Clewiston in comparison with what the rates would be if predicated first, on the basis prescribed by the Louisiana Commission and second, on the basis formerly maintained temporarily by the Louisiana roads. The first page shows the present net transit rates from Florida points to Clewiston, while the second page shows the proposed net transit rates, i.e., the present rates as increased in line with proposals made by the railroads under Ex Parte 162 and Ex Parte 166.

For the reason that the Florida rates are not subject to the same carload minimum weights as those in Louisiana,

even this comparison of rates, in cents per ton, does not accurately reflect the differences between the two bases. Therefore, in addition to showing the rates themselves, the exhibit compares the minimum per-car revenues resulting from the present and proposed rates in Florida with what the minimum per-car revenues would be if the bases of rates and minimum weights applicable in Louisiana prior to March 31, 1949, were made effective in Florida. In other words, for the purpose of this comparison, we are giving the shippers the benefit of the alternation of the former temporary Louisiana basis, minimum weight 50,-
[fol. 1064] 000 pounds, with the present Louisiana Commission prescribed basis, minimum weight 30,000 pounds.

Since the carload minimum weight in Florida is 40,000 pounds during the first part of the season and 44,000 pounds during the latter part and since the Sugar Corporation seeks minimum weights of 36,000 pounds and 38,000 pounds in lieu thereof, the exhibit compares for the first half of the season the freight charges under the Florida basis and under the Louisiana basis on a car of 40,000 pounds and also on a car of 36,000 pounds. For the second half of the season it compares the Florida and Louisiana charges on a car of 44,000 pounds and on a car of 38,000 pounds. Since the Florida minima are 40,000 pounds and 44,000 pounds, respectively, the revenue shown on the exhibit for a 36,000-pound car is based on minimum weight of 40,000 pounds and the revenue for a 38,000-pound car is based on minimum weight of 44,000 pounds. The revenues resulting from the Louisiana basis are in some cases the same for a car of 36,000 pounds as for a car of 40,000 pounds, while in other cases, due to the alternation of the former rates subject to minimum of 50,000 pounds, with the rates subject to 30,000 pounds, there are slight differences.

It will be noted the charge for transporting a car of either 36,000, 38,000, 40,000 or 44,000 pounds from the first three stations on the exhibit to Clewiston would be $26.25 if the basis formerly in effect in Louisiana were made applicable in Florida. In comparison, on the present basis of rates in Florida, the shippers actually pay during the first half of the season only $7.00 on shipments from Miami Locks No. 1 and Miami Locks No. 2 and only $8.00 on ship-
[fol. 1065] ments from South Shore. During the second

half of the season they pay only $7.70 on shipments from the first two origins and $8.80 on shipments from the third origin as compared with $26.25 on the Louisiana basis. Even if the rates now proposed by the Florida Railroads should be used, the comparison, as show at the top of page two of the exhibit, would be Florida charges ranging from $10.00 to $12.76 per car as compared with $26.25 per car on the Louisiana basis. The exhibit speaks for itself and I think it is unnecessary to comment further upon the comparisons.

[fol. 1066] However, having shown what the comparisons would be on basis of the rates formerly in effect in Louisiana, but which have now expired by limitation, I think the Commission should know what the comparisons would be if Florida rates should be made on basis of the mileage scale applicable in Louisiana since expiration of the rates formerly maintained by the Louisiana roads on a voluntary and temporary basis. Such comparisons, set up in the same form, are contained in Exhibit No. 46 (P), the present rates and minimum per-car charges being shown on page one and the proposed Florida rates and minimum per-car charges on page two. Of course, the comparisons in this exhibit are even more favorable to the present and proposed Florida bases than those in Exhibit 45(O) predicated on the lower basis that was formerly applicable in Louisiana.

In order that the Commission may better appreciate and evaluate the significance of the foregoing comparisons, it would be well to explain at this point that the transportation characteristics of the Louisiana cane are not greatly different in most respects from those of Florida cane. In certain respects, the incidents of transportation of the Florida cane are somewhat more favorable, while in others the incidents of transportation of the Louisiana cane are more favorable, so it is probable that substantially a balance can be struck, thus rendering the comparisons extremely significant.

In the first place, the Louisiana cane probably does not move in quite as great volume, certainly to any one mill, [fol. 1067] as the Florida cane but the Louisiana movement nevertheless is quite substantial. For example, in the 1948-49 season the Southern Pacific alone transported more than 5,000 cars of cane to mill points on its line.

The Louisiana movement is entirely in railroad cars, while the Florida movement is in cars owned by the industry. However, inasmuch as the railroads pay the United States Sugar Corporation an agreed mileage allowance for the use of its cars there is, as a practical matter, no substantial difference between the Florida and the Louisiana situations in this respect.

The average length of haul in Louisiana is substantially same as in Florida. The average haul of the Southern Pacific (T&NO) is slightly over 20 miles, while the hauls of the Missouri Pacific range from 2 miles to 39 miles. The Florida hauls range from 2 miles to 29 miles.

The average loading in Louisiana is greater than in Florida. The 1948-1949 season's movement of the Southern Pacific, which is the most important of the Louisiana cane hauling roads, averaged 48,200 pounds per car. In the previous season it was 51,600 pounds.

In Louisiana, as in Florida, the loading of the wagons or trucks in the fields is performed in practically all instances by mechanical devises. Generally the device is a mechanical "grabber" which is simply a tractor-bourne field derrick operating something like a dragline. The cane is then hauled to A-frame loader derricks which transfer it from the wagons into the cars. Field trucks are loaded by hand only on the very small plantations and the proportion of the Louisiana cane movement originating on these farms is negligible.

Most of the sugar factories in Louisiana receiving cane by rail have their own power and switch the cars between [fol. 1068] the interchange track of the railroad on the one hand, and the points of unloading in the mill property, on the other hand. In such cases, the railroads perform no special switching service, but merely place the trains of cars loaded with cane on the interchange track from which they are taken by the mill engines. Likewise, the mill engines place the empty cars on the same or, in some cases, a different interchange track where the railroad engines are coupled to them for movement to loading stations. Among the mills so performing their own switching service are the Raceland Mill of Godchaux Sugars, Inc., at Godchaux, the Sterling Mill of Sterling Sugars, Inc., Franklin, La., the

Billeaud Mill of the Billeaud Sugar Factory at Billeaud, La., the Erath Mill of Erath Sugar Company, Limited, Erath, La., and the Cypremort Mill of Cypremort Sugar Company, Inc., at Burguieres, La. There are others operating in the same manner and these are merely examples.

Cane cars for the Sterling Sugar Refinery moving via Missouri Pacific Railroad are placed by that road on the interchange track at Sterling Junction and subsequent movement from that location is by privately-owned locomotives of the factory, the empties being returned in the same manner. At both the Alma Mills at Lakeland, La., and the Westover Mill at Westover or Anchorage, the Missouri Pacific engine places the loaded cars on a long track known as the cane track. One of these mills handles the cars with tractors from the interchange track to point of unloading, while the other handles them with its locomotive. Some of the mills served by the Southern Pacific and Texas and Pacific do their switching with steam locomotives and others with gasoline engines.

At a number of the Louisiana Mills the cars are weighed by the industry on scales belonging to the industry and, as in the case of the Clewiston movement, the weights so [fol. 1069] ascertained are observed in assessing freight charges. Among the mills performing their weighing services are the Valentine Mill of Valentine Sugars, Inc., at Jay, La. Incidentally, it also performs its own switching service, although I failed to name it a while ago. In addition, there are the Billeaud, Erath and Cypremort Mills and others.

[fol. 1070] One of the most important factors in the sugar producing industry is the sucrose content or sugar producing capacity of the cane. Some cane produces more sugar than other cane and since the volume or tonnage of cane handled is an important element contributing to the cost of mill operation, this feature is watched very closely by all of the mills and accurate records are maintained. Obviously, other things being equal, the production of a ton of sugar would cost more if it required twelve tons instead of only ten tons of cane to produce it. Freight and other handling charges on two tons of cane would be saved

and there would be two less tons of raw material to be handled through the mill rollers.

The Agricultural Department of the State of Louisiana and the Louisiana State University and Agricultural Experiment Station have naturally been very much interested in this situation and have conducted a great deal of research with respect to this and other phases of the sugar cane industry. Certain of their findings are set forth in Louisiana Bulletin No. 418, issued jointly during June, 1947, by the Louisiana State University and Agricultural Experiment Station, Louisiana Agricultural and Mechanical College. Exhibit No. 47 (R) shows, for the representative years 1942 and 1945, information taken from Table IX of this bulletin concerning the costs to Louisiana sugar mills of procuring the amount of cane necessary to produce 100 pounds of raw sugar. The table separates these costs as between cane of different values, i.e., different sugar producing capacities or sucrose content. According to page [fol. 1071] 20 of this bulletin, one of the most important factors causing differences in unit costs, returns and net profits from raw sugar mill operation is the number of pounds of sugar manufactured per ton of cane ground. One major factor causing variations in the yield of sugar per ton of cane ground is the percentage of sucrose in the cane. Differences in sucrose content of cane compensated, at least partially, by corresponding differences in the price paid for cane by the mill under the usual cane-purchase contract. Exhibit No. 47 (R) shows that in 1942 it cost $3.21 to procure enough Louisiana cane to produce 100 pounds of raw sugar when the cane was of such quality as to produce less than 150 pounds of sugar per ton of cane. As the sucrose content of the cane increased the cost of procuring enough cane to produce 100 pounds of raw sugar grew progressively less until the cost was only $2.60 for cane of such quality as to produce 180 or more pounds of sugar per ton of cane. Likewise, the study covering the year 1945 showed that the cost of procuring sufficient cane to produce 100 pounds of raw sugar in that year progressively diminished in direct proportion to the increase in sucrose content of the cane.

[fol. 1072] Also the United States Department of Agricul-

ture keeps close check on the sugar cane situation in Louisiana and from time to time issues bulletins called Sugar Mill Letters, somewhat similar to its bulletins in regard to other farm products. For example in a table attached to its Sugar Mill Letter No. 10, dated June 3, 1949, the U. S. Department of Agriculture shows, by seasons for the 1937-1938 season through the 1948-1949 season, the average number of pounds of 96 degree raw sugar produced per ton of Louisiana cane ground. At the same time, similar information for the Florida cane ground at the Clewiston mill is shown for each season in the annual reports of the United States Sugar Corporation. Taking these records as a basis, I have shown on Exhibit No. 48 (Q), one page, a comparison of the average number of pounds of 96 degree sugar produced per ton of cane ground in Florida, Column (D), with the average number of pounds of 96 degree sugar produced per ton of cane ground in Louisiana, Column (E). The Florida figure for the 1948-1949 season is not included because the 1949 Annual Report of the U. S. Sugar Corporation has not yet come out. In every one of the eleven seasons for which comparisons are shown the average ton of Florida cane has produced from 14.66 to 48.02 pounds more sugar than the average ton of Louisiana cane, and in only two of the eleven seasons has the advantage of the Florida cane been less than 22 pounds.

In the last column, I have shown for each season the percentage by which the sugar content of the Florida cane has exceeded that of Louisiana cane. The excess, Florida over Louisiana, has ranged from 8.55 percent in the 1942-43 season to 29.65 percent in the 1940-41 season. The extent to which the sugar producing capacity of Florida cane has exceeded that of Louisiana cane over the entire period of eleven seasons has averaged 18.31 percent.

[fol. 1073] I now offer as my Exhibit No. 49 (S), four pages, a comparison of present and proposed rates and minimum per-car charges on sugar cane from Florida shipping points to Clewiston with what the rates and charges would be if predicated on the basis of rates now applicable in Louisiana. It also compares the values of the respective services to the shippers. Pages one and two make the comparisons on basis of the present Florida rates, while

pages three and four show comparisons on basis of the rates which the railroads are seeking to make effective in Florida, namely, the present rates as increased under Ex Parte 162 and Ex Parte 166. Because the Florida carload minimum weight is 40,000 pounds from the beginning of the season through January 31st and 44,000 pounds from February 1st through the end of the season, pages one and three show minimum per-car charges on weight of 40,000 pounds in effect during the first half of the season and pages two and four show charges on minimum weight of 44,000 pounds in effect during the second half of the season.

Perhaps a word of explanation is necessary. Looking at the first page of the exhibit, it will be seen that the first column shows what the rates from the Florida origins to Clewiston would be if predicated on the basis of rates now in effect in Louisiana as shown in Exhibit No. 44 (N). The second column shows the present rates from these origins to Clewiston.

The third column shows what the carload minimum charges would be if the Louisiana basis of rates and minimum weights should be substituted for those now applicable in Florida. On a minimum car of 30,000 pounds the charges [fol. 1074] per car would be $25.80 on cane moving from Florida East Coast stations and $12.90 on cane from Atlantic Coast Line stations. The fourth column shows the present charges on a minimum car of 40,000 pounds from the Florida origins to Clewiston. In other words, looking at the first two lines we see that from Miami Locks No. 1 and Miami Locks No. 2, the Sugar Corporation now pays $7.00 for moving a car of 40,000 pounds to Clewiston, whereas if the present Louisiana rates and minimum weights were in effect the Sugar Corporation would be paying $25.80 for moving a car of only 30,000 pounds to Clewiston.

The fifth column shows the percentages that the present Florida charges shown in the fourth column are of the Louisiana charges shown in the third column. In other words, the charge for hauling 40,000 pounds of cane from these Coast Line and Florida East Coast stations to Clewiston ranges from 27½ percent to 62 percent of the charges that would be paid for hauling only 30,000 pounds to

Clewiston if the Louisiana basis were made applicable in Florida.

The purpose of the last two columns is to show percentagewise the value that the service on basis of the present Florida rates and minimum weights is of the service on basis of the Louisiana rates and minimum weights applied on a car of 36,769 pounds. As shown by page 3 of my Exhibit No. 38 (I) that was the average loading of those cars of cane moving from Atlantic Coast Line Railroad and Florida East Coast Railway stations to Clewiston during the first half of the 1948-1949 season that were loaded to less than the carload minimum weight of 40,000 pounds. The sixth column of figures in Exhibit 49 (S) shows that [fol. 1075] the 36,769 pounds, transportation of which is obtained for the charges shown in the fourth column is 122.8 percent of the weight of 30,000 pounds, transportation of which would be obtained by payment of the Louisiana basis of charges shown in the third column. In other words, taking Canal Point, the sixth origin shown on the exhibit, as illustrative, by paying only 42.6 percent of the charge that would be required on the Louisiana basis of rates, the Florida shippers obtain transportation of 122.8 percent as much tonnage as would be obtained on the Louisiana rate.

However, this mere comparison of tonnage does not tell the whole story. As just demonstrated by my Exhibit No. 48 (Q), the sucrose content of the Florida cane, consequently the value of the Florida cane from the standpoint of sugar producing capacity, has averaged over a long period of years 18.31 percent greater than the Louisiana cane. Actually, therefore, the transportation of each hundred pounds of Florida cane is worth as much as the transportation of 118.31 pounds of Louisiana cane. Therefore, when we consider not only that for $11.00 the Sugar Corporation obtains transportation of an average of 36,769 pounds (even when cars are loaded to less than the tariff minimum weight) as against only 30,000 pounds in Louisiana for a charge of $25.80, but that each 100 pounds of Florida cane is equivalent on the average to more than 118 pounds of Louisiana cane, we find that the value of the Florida service is actually 145.3 percent of the value of the Louisiana service. This means that, for charges ranging from only

[fol. 1076] 27 percent to 62 percent of the Louisiana charges, the Florida shippers obtain 145 percent of the value of transportation service that the Louisiana shippers obtain and adds to the significance of comparisons of Florida with Louisiana cane rates.

It is unnecessary to deal at length with the comparisons shown on the other three pages of the exhibit but I should mention that, arriving at the results in the same way, we find from page 2 that for the last half of the season, the Florida shippers obtain 158.5 percent as much value of transportation service as the Louisiana shippers although the charges they pay range from only 29.8 percent to 68.2 percent of the Louisiana charges. Bear in mind that this is based on the average weight of only those cars that were loaded to less than the minimum weight of 44,000 pounds in the second half of the 1948-49 season, as shown on page 3 of Exhibit No. 38 (I).

Pages 3 and 4 of Exhibit 49 (S) show that, even on basis of the proposed Florida rates, including Ex Parte 162 and Ex Parte 166 increases, the Florida charges during the first part of the season would range from only 38.8 percent to 89.9 percent of the Louisiana charges and that during the second part of the season they range from only 42.6 percent to 99 percent of the Louisiana charges for services that are worth 145.3 percent and 158.5 percent, respectively, of the Louisiana services.

[fol. 1077] As stated, the comparisons made in Exhibit No. 49 (S) are with what rates and charges would be if predicated on the present basis of rates in Louisiana. In order that the picture may be complete, I show on the statement of one page, identified as Exhibit No. 50 (T), a comparison of the present and proposed Florida rates with what the rates would be if predicated on the temporary rates that were formerly in effect in Louisiana, but which expired March 31, 1949. I have shown revenue at the Louisiana basis of rates on the average weight of 48,200 pounds, to which all cars moving over the Southern Pacific to Louisiana mills were loaded during the 1948-1949 season but, inasmuch as the rates were subject to minimum weight of 50,000 pounds, that weight has been used in computing the per car charges. In comparison the Florida charges are

at the average loading of 43,817 pounds obtained during the second part of the 1948-49 season when the minimum weight was 44,000 pounds. Per car revenues on the 43,817 pounds are computed at the minimum weight of 44,000 pounds. The exhibit shows that from Canal Point the Sugar Corporation now pays $12.10 for moving the average car of 43,817 pounds to Clewiston, but that if the basis of rates and minimum weights formerly in effect in Louisiana were observed in Florida it would pay $36.25 for moving an average car of 48,200 pounds. In other words, as shown by the first column under the last block of figures, the present Florida charge on a car of 43,817 pounds is only 33.4 percent of what the Louisiana charge would be on 48,200 pounds. As shown by the last column, even the proposed Florida charge for 43,817 pounds is only 47.9 percent of the former Louisiana charge for 48,200 pounds.

[fol. 1078] As illustrated by Exhibit No. 48 (Q), the average sugar producing value of Florida cane is 118.31 percent of Louisiana cane. Therefore, as shown just under the rate and revenue tables in Exhibit No. 50 (T), 43,817 pounds of Florida cane is equivalent in sugar producing value to 51,840 pounds of Louisiana cane. Actually, therefore, the sugar content of the average car of 48,200 pounds of Louisiana cane is 7.6 percent less than the sugar content of the average care of 43,817 pounds of Florida cane. Consequently, the percentages that the Florida charges, shown in last two columns, are of charges on the Louisiana basis, although reflecting transportation of 3,232 more pounds of cane, actually reflect transportation of about 7½ percent less sugar in the form of cane than do the Florida charges.

[fol. 1079] Very few commodities have value and other transportation characteristics sufficiently similar to the sugar cane moving to Clewiston for rate and revenue comparisons thereon to afford a fair index of the reasonableness of the rates on sugar cane. However, since a great deal of sugar is produced from sugar beets in several of our western states, I think it is appropriate that we see how the Florida sugar cane rates and revenues compare with the rates and revenues on the sugar beets.

On the first page of my Exhibit No. 51 (U), two pages, are shown the present and proposed scale of rates on sugar

cane from Florida points to Clewiston. This scale has single line application from Coast Line stations and joint line application from Florida East Coast stations. In comparison are shown the single-line scales of rates on sugar beets in the nine most important beet sugar producing states in the country. The present rates on sugar cane do not include any of the Ex Parte increases, while the proposed rates are the present rates, plus 15 percent under Ex Parte 162 and 25 percent under Ex Parte 166. The rates on sugar beets shown in the exhibit include such increases under Ex Parte 162 and Ex Parte 166 as have been permitted by the respective state commissions.

The nine states in which rates on sugar beets are shown have been arranged in the exhibit in the order of their importance from the standpoint of production of beet sugar. In the year 1942 there were nine factories in California producing 2,332,000 tons, in Colorado there were sixteen factories producing 2,178,000 tons, in Michigan there [fol. 1080] were ten factories producing 1,098,000 tons, in Idaho eight factories producing 1,076,000 tons, in Nebraska seven factories producing 916,000 tons, in Montana five factories producing 915,000 tons, in Ohio seven factories producing 595,000 tons, in Utah seven factories producing 572,000 tons and in Wyoming nine factories producing 447,000 tons. There is some movement of sugar beets in a few other western states, but comparatively the movement is light and does not warrant inclusion of those states in the exhibit.

Largely because of the ease with which they may be loaded sugar beets provide quite attractive tonnage for the motor trucks and the railroad rates applicable thereon in the western states shown in the exhibit are generally very much lower than they would be were it not for drastic reductions that have been made in an effort to meet motor truck competition. For example, the rates applicable in Michigan and on interstate traffic between Ohio points, Interstate Commerce Commission during 1924 in ICC Docket No. 14881 (91 ICC 677) on intrastate traffic in Ohio and Michigan and on interstate traffic between Ohio points, on the one hand, and Michigan points, on the other hand, but for distances of 45 miles and less are from 22 to 25 cents

and for distances from 45 miles to 75 miles are in some cases 31 cents and in others 32 cents per ton less than the rates so fixed by the Interstate Commerce Commission. The rates in several other states also have been held down by motor truck competition. In addition, because of efforts on the part of the railroads serving the beet sugar mills to assist [fol. 1081] those mills in meeting competition with cane sugar, some of the rates on sugar beets are lower than they would otherwise be. For example, the California scale was cut back during 1922 by dropping entirely the Ex Parte 174 increase of 25 percent made August 26, 1920, the purpose being an effort to assist the beet sugar operators who were in distress due to cane sugar competition. Incidentally, the California scale is not published in the tariffs as a mileage scale but is an unpublished scale in cents per 100 pounds observed in the establishment of such single line point-to-point commodity rates as have been established. Similar conditions during 1930 caused the California roads to drop the 25 percent increase that had been made effective June 25, 1918, for hauls in excess of 150 miles. Therefore, in comparing sugar cane rates with the rates on sugar beets, it may fairly be said that we are comparing them with rates that have been held to a subnormal basis by reason of motor truck competition and competitive conditions in the industry.

Also I think it should be made clear that a comparison of the rates on sugar cane and sugar beets is not entirely fair to the railroads handling cane for the reason that sugar beets load so much more heavily than cane. For example, the average loading of California sugar beets moving via Southern Pacific, which serves eight of the nine beet sugar mills in that state, approximates 75,000 pounds per car, the beets generally moving in blocks of 20 to 25 cars. The average loading of the 15,924 cars which the Northern Pacific Railway moved to the mills at Sidney, Billings, and Missoula, Mont., East Grand Forks, Minn., and Toppenish, [fol. 1082] Wash., in 1946, was 100,000 pounds. The average loading of the 6,922 cars handled by the Union Pacific Railroad intrastate in Utah during the 1946-47 season was 91,440 pounds. Sugar beets are generally moved in standard gondola cars, some of which are equipped with tempo-

rary racks to heighten the cars and increase their bulk loading capacity.

I think the rates themselves, or most of them shown on the first page of my Exhibit No. 51 (U), tend to illustrate quite forcibly the reasonableness of not only the present but the proposed rates on sugar cane from Florida points to Clewiston. However, from what I have just said it can be readily appreciated that a true comparison of the charges on sugar cane and sugar beets cannot be obtained from a simple comparison of the rates.

Therefore, the second page of the exhibit compares the present and proposed minimum per-car revenue on sugar cane from Florida points to Clewiston with the present minimum per-car earnings on sugar beets in the states named on the first page and shown in the same order. In Nebraska, Montana and Utah, the carload minimum weight governing the rates shown on Page one of the exhibit is "marked capacity of car." In such cases, I have very conservatively used weight of 90,000 pounds to state the minimum per-car earnings on page two. It is quite certain that the marked capacity of the average car would be at least that great since, as already stated, the average loading in Utah is 91,440 pounds and in Montana it is 100,000 pounds. In Wyoming the published minimum weight is 80,000 pounds and in California it is 60,000 pounds. In [fol. 1083] Colorado, Michigan and Ohio it is 40,000 pounds and in Idaho only 24,000 pounds. However, the published minimum weight of 24,000 pounds is of little significance, certainly for the short hauls, since the charges are specificially subject to minimum of $20.00 per car. In Colorado, where the published minimum weight is 40,000 pounds, the charges are subject to minimum of $24.00 per car and in Michigan and Ohio where the published minimum weight is 40,000 pounds, the charges are subject to minimum of $20.55 per car. The rates on sugar cane to Clewiston are not subject to any minimum per car charge and where the rate is 30 cents per ton and the published minimum weight is 40,000 pounds the resulting charge of $6.00 is all we get for hauling the car from origin to Clewiston. I think that with the foregoing explanation the comparisons on the lower half of this exhibit speak for themselves.

[fol. 1084] As is well known, there are two kinds of transit arrangements. One is the through rate plan of transit and the other is transit under a system of net transit rates.

Under the through rate plan of transit, the raw material is moved from origin into the point at which it is stored, milled, mixed, fabricated, cleaned or put through some other manufacturing process and ordinarily the local rate is applied on the inbound movement just as it would be applied on any other movement not accorded transit arrangement, but as to which the originally billed destination is the final destination. Upon reshipment of the finished product from the transit point, charges are readjusted to basis of the through rate on the finished product from the origin of the raw material through the transit point to the ultimate destination, plus a specified charge known as a transit charge. The purpose of the transit charge is to compensate the railroads for keeping the records and performing other services incident to the operation of the transit arrangement.

The other kind of transit arrangement is the net transit rate plan. Rates known as net transit rates, and generally a good deal lower than rates applicable on ordinary local movements where the inbound haul is not tied in with the outbound haul of the finished product, are established from origins of the raw material to the transit point. When the raw material moves into the transit point the local rate, not the net transit rate, is assessed but when the product of the raw material is shipped from the transit point the charge paid on the inbound movement of raw material at the local rate is readjusted and cut back to the lower net transit rate. In this kind of transit arrangement there is no transit charge such as is paid under the through rate plan of transit.

[fol. 1085] In some cases, the transit user prefers to pay the net transit rate, rather than the regular local rate, on the inbound raw material in the initial instance and then have the inbound charge readjusted upwardly to basis of the higher local rate in the event the product of the inbound raw material is not shipped by rail as required by the tariff. When this is desired by the transit operator, the privilege is usually granted by the railroad but, because of

credit requirements in the law, it is necessary in such cases, and is so required by the Interstate Commerce Commission's rules, that provision be made in the tariff containing the net transit rates that in order to pay on basis of such net transit, or proportional, rates in the initial instance a surety bond be filed by the transit operator with the railroad guaranteeing payment of the higher inbound local rate in the event the terms of the transit arrangement should not be complied with and the product of the inbound raw material should not be reshipped by the railroad that brought in the raw material.

On the statement of six pages now offered as my Exhibit No. 52 (V), I have shown details of a large number of representative transit arrangements authorizing storage, milling, fabrication, completion of loading, partial unloading, mixing, grinding, repacking, and other transit privileges under the through rate plan of transit. This includes various transit arrangements on raw materials originating in Florida and accorded transit arrangements at transit points both in Florida and in states north thereof. The statement shows in the third to the last column the transit charges in cents per 100 pounds and in the next to last column what the resulting transit charges are on minimum carloads of the commodities involved. These transit charges, it will be noted, range from $10.00 to $57.50 per car, being as low as $10.00 in only one of the many instances shown in the exhibit.

[fol. 1086] By reference to my Exhibit No. 40-(K), it will be recalled that under the present net transit rates on sugar cane to Clewiston the shippers pay the railroads on a car of 40,000 pounds amounts ranging from only $6.00 for the shorter single line hauls to only $11.00 for joint line hauls of as much as 29 miles. Under the proposed rates the charges would range from only $8.80 to $15.80 for transporting a carload of 40,000 pounds anywhere from 2 miles to 29 miles. During the second half of the season when the minimum weight is 44,000 pounds, the present charges range from $6.60 to $12.10 per car and the proposed charges from $9.68 to $17.38 per car. It would seem when these meager returns for the line haul transportation service in connection with loads of 40,000 to 44,000 pounds of cane

are compared with transit charges under the through rate plan of transit, ranging around $22.50, $27.00, $34.00, $41.40, $46.00 and $57.50 per car, that both our present and proposed charges under the net transit rates on cane to Clewiston are far and away less than reasonable maximum charges.

[fol. 1087] PROTESTANT'S EXHIBIT #53

Docket No. 30140

Direct examination—Fred Pettijohn:

Q. Give your name, occupation and address.

A. Fred Pettijohn, Director Commerce Department, Florida Railroad and Public Utilities Commission, Tallahassee, Florida.

Q. How long have you been with the Florida Railroad and Public Utilities Commission?

A. Since June 10, 1925.

Q. What was your experience prior to that time?

A. From about 1920 to the time that I entered the service of the Florida Commission I was engaged in private practice in Chicago specializing in cases before the Federal Commission and State Commissions and also determined for the Secretary of War the cost of steel rails commandeered by him for the railroads during World War I.

For about two years prior to 1920 I was Chief Cost Accountant for the United States Railroad Administration and for about eleven years prior to that I was connected with the Mutual Audit Company of Louisville, Kentucky, which company specialized in preparing, introducing and defending analytical and statistical cost studies before the Federal and State regulatory Commissions.

For about seven years prior to that time I was employed by railroads in the Disbursements, General Auditing and [fol. 1088] Statistical Departments in the general offices and also as Accountant in the divisional offices.

Q. Are you familiar with the issues involved in this proceeding?

A. I am. This proceeding arose out of the Florida Rail-

road and Public Utilities Commission's failure and refusal to make the same percentage increase on intrastate traffic as was prescribed by the Interstate Commerce Commission in Dockets Nos. Ex Parte 162 and 166.

Q. Have you prepared any exhibits for introduction in this proceeding?

A. I have.

Q. To what facts and conditions did you give consideration before determining what evidence you would prepare for introduction in this proceeding?

A. In the Ex Parte 162 and 166 cases the evidence introduced before the Interstate Commerce Commission pertained to the four major districts and to the United States as a unit. No evidence was introduced pertaining to the operations within any State in the Southern Region. The percentage increases authorized for the Southern Region must, therefore, have been predicated on the assumption that the agricultural and industrial products and traffic conditions are similar throughout the Southern Region. [fol. 1089] Unless this assumption is a fact there is and can be no justification in my opinion for treating Florida the same as the balance of the South. In fact, the Interstate Commerce Commission recognized a difference in agricultural, industrial and traffic conditions when it prescribed a 25% increase from, to and within Zone I of Western Trunk Line Territory but assigned only a 20% increase within Western territory other than Zone I of Western Trunk Line Territory. (270 I. C. C. 93-98).

We in Florida know that industrial and agricultural production and traffic conditions are not similar to those of the Southern Region and this is especially true when consideration is given to the fact that certain rates to, from and within the State of Florida are superimposed with the so-called Florida arbitrary, this arbitrary having been first imposed in the Southern Class Rate Investigation (100 I. C. C. 513) decided July 7, 1925. The Interstate Commerce Commission stated that less traffic density per mile of road and less tonnage per train mile obtaining in Peninsular Florida than in Southern territory warranted a higher rate on traffic from and to the State of Florida.

Subsequently, in Growers and Shippers League of

Florida vs. Aberdeen and Rockfish Railroad Company, et al., Docket 25071, 200 I. C. C. 273, evidence was introduced showing that based upon information introduced by the carriers in Docket 17936, Refrigeration Charges on Fruits, Vegetables, Berries and Melons from the South, [fol. 1090] during the years 1927 and 1928 the weighted average traffic density and weighted average train loading from points of origin in Florida to Eastern territory destinations were greater than those obtaining on the Atlantic Coast Line Railroad as a whole or on that railroad exclusive of the operations in the State of Florida. In addition, since these arbitraries were imposed, that portion of the Key West extension of the Florida East Coast Railway from the mainland to Key West has been abandoned, as has been that portion of the Florida East Coast Railway from Maytown to a point about fourteen miles below Okeechobee, and the Florida East Coast has connected up that portion of the road originally operated from Lake Harbor North from a point about fourteen miles Southeast of Okeechobee to Fort Pierce so as to enable it to operate more economically and efficiently.

These facts, together with the phenomenal increase in the production of citrus fruits and vegetables in Florida, the inauguration and phenomenal growth of the use of auto transportation and the competition which has been developed by reason of auto transportation, have changed the entire transportation picture and problem within the State of Florida. When consideration is also given to the fact that the tons of coal originated in the Southern District represent 32% of the total tonnage originated and the tons handled represent 27.5% of the total tons handled, whereas coal tonnage is negligible in Florida, it seems obvious that the circumstances and conditions pertaining [fol. 1091] to agricultural and industrial production and transportation and traffic conditions in Florida are entirely dissimilar to those obtaining in the Southern Region. For this reason we determined to show as far as we are able some of these differences.

Q. What is your first exhibit?

A. My first Exhibit, No. 54, is a statement showing the tons of revenue freight originated within the Southern

Region and on the system and within the State of Florida by the Atlantic Coast Line Railroad Company, Florida East Coast Railway Company and Seaboard Air Line Railroad Company for the period 1928 to 1948 inclusive. The sources from which this information was secured are reflected on the exhibit.

Q. Why did you go back to 1928 to start your exhibit?

A. In order to currently estimate what proportion of the freight and passenger revenues are accounted for in each quarter of the year I decided that due to changes in rates, fares and charges the weighted average revenues for each quarter would have to be for a period of not less than twenty years in order to produce reliable percentages, and having made my estimates of the yearly revenues to be produced in each quarter on a twenty year average I decided to show all other data for the same period.

[fol. 1092] Q. Why did you confine your comparisons to the Atlantic Coast Line Railroad Company, the Florida East Coast Railway Company and the Seaboard Air Line Railroad Company and not include all carriers operating to, from and within the State of Florida?

A. Back in 1931 or 1932 I made a comparison of the revenues earned within the State of Florida and ascertained that of the total revenues earned in the State about 85% was earned by these three railroads. I then made an analysis of the total revenues earned by all railroads operating to, from and within the State of Florida and found that these three Florida roads earned 89.621% and 90.563% in 1946 and 1947 respectively of the total operating revenues earned by all railroads in Florida. I also found that these three Florida roads earned 90.096% in 1946 and 90.189% in 1947 of the total intrastate revenues earned within the State of Florida.

These three railroads, handling that proportion of the revenues within the State of Florida, obviously represent a reliable cross section of Florida operations.

Q. What specific comment do you desire to make with respect to this exhibit?

A. This exhibit shows that for the Southern Region the tons originated in 1947 were but 23.5784% greater than

in 1928; that for the three roads the increase was 72.2239%; whereas, the increase in Florida was 106.8747%. Comparing 1947 to 1939 shows that for the Southern Region the [fol. 1093] increase was 86.26%, for the three Florida lines 125.91%, and for the State of Florida 141.62%. This shows that the Southern Region has not kept pace with either the three Florida lines or the operations within the State of Florida.

Q. What is the next exhibit you have prepared to offer in evidence in this proceeding?

A. My next Exhibit, No. 55, is a comparison of the tons of freight originated, terminated and handled for the three Florida roads and in Florida for the years 1928 to 1948, inclusive. This exhibit shows that the tons of freight originated, terminated and handled within the State of Florida increased in a greater percentage than did those for the system as a whole.

Q. What is the next exhibit which you have to offer?

A. My next Exhibit, No. 56, compares the revenue ton miles and the freight revenue for the Southern Region with the three Florida lines and with the operations of the three Florida lines in Florida. The top half of this exhibit shows that while the revenue ton miles of the Southern Region increased but 51.2526% the increase for the three Florida lines was 141.1013%, and for the three Florida lines in Florida 136.9706%, the increase in Florida being slightly less than that for the system. A comparison of the percentage relationship under Column 4 and Column 6 shows that the increase in Florida tonnage has been at all times less [fol. 1094] than the increase on the system. This is due primarily to Florida traffic having greater water competition, both coastwise and inland, and greater truck competition than for the system generally.

The lower half of the exhibit shows that the freight revenue in the Southern Region increased but 76.1485%, whereas, for the three Florida lines it increased 124.1473% and the Florida operations increased 132.6647%. Attention is directed to the fact that while the revenue ton miles increased in a greater percentage for the three systems than they did in the State of Florida, the reverse is true with respect to freight revenue, and the difference would be still

greater had the Atlantic Coast Line Railroad assigned the revenue inuring from the Florida arbitrary direct to Florida operations instead of prorating it on a mileage basis.

Q. What is your next exhibit?

A. My next Exhibit, No. 57, is a comparison of the revenue ton miles, freight revenue and revenue per ton mile for the three Florida railroads as a whole and for their operations within the State of Florida and also a comparison of the revenue per ton mile obtained in Florida with that obtained in the Southern Region.

Q. What comments, if any, have you to make with respect to this exhibit?

[fol. 1095] A. A comparison of the revenue per ton mile earnings under Columns 7 and 8 shows that with the exception of the years 1928 and 1930 the revenue per ton mile in Florida was greater than the revenue for the system as a whole. Again, had the Atlantic Coast Line Railroad assigned its freight revenue derived from the Florida arbitrary direct to the State of Florida the difference in revenue ton mile earnings would have been greater than reflected under Columns 7 and 8.

Likewise, a comparison of the ton mile earnings under Columns 8 and 10 and the percentage under Column 11 shows that the ton mile earnings in Florida have ranged from 16.27% to 64.92% greater than the ton mile earnings in the Southern Region.

Q. What is the next exhibit which you have to offer?

A. My next exhibit, No. 58, is a comparison of the revenue passenger miles and passenger revenue of the Southern Region with the system and Florida operations of the three Florida lines and reflects the percentage relationship of each year to 1928.

Q. What comments, if any, have you to make with respect to this exhibit?

A. A comparison of the relationships by years to 1928 under Columns 2, 4 and 6 shows that the revenue passenger miles increased in the Southern Region slightly over 45%, compared to an increase of 124.5% in Florida and 158.5% for the three roads as a whole; that with respect to pas-

[fol. 1096] senger revenue the Southern Region increased but 6%, whereas, Florida operations increased 50.9%

and the three roads as a whole increased 70.5%, again showing that there is no real relationship between the Southern Region, the three Florida lines and the operations of the three Florida lines in Florida.

Q. What is the next exhibit you have to offer?

A. My next Exhibit, No. 59, reflects a comparison between the system and the Florida operations of the three roads of the passenger miles, passenger revenue and revenue per passenger mile, and also compares the revenue per passenger mile in Florida with that for the Southern Region.

Q. What comments, if any, have you to make with respect to this exhibit?

A. This exhibit shows in Column 3, comparing 1948 to 1928, that the percentage of revenue passenger miles in Florida to the system has declined from 38.14% to 33.19% and that the passenger revenue, Column 6, has declined from 38.56% to 34.12%, or that the passenger revenue has not declined as much as have the revenue passenger miles. A comparison of the revenue per passenger mile, Columns 8 and 10, shows that for 1947 the revenue per passenger mile in Florida was 8.75% greater than for the Southern Region. A comparison of Columns 7 and 8 shows that with the exception of the year 1941 the revenue per passenger mile was greater in Florida than for the [fol. 1097] system as a whole.

Q. To what do you attribute the percentage decline in revenue passenger miles and passenger revenue Florida compared to the system?

A. In the first place the railroads, Florida being a terminal State, fix their schedules for the benefit of the through passengers and not for the benefit of the local passengers. In other words, the passenger train schedules are not fixed so that they can be utilized in a manner desired by the traveling public. In the second place, those local schedules are so slow and the equipment so antiquated that they are not attractive to the traveling public. In the third place, the carriers have intense competition with the buses between all of the major points in Florida. In the fourth place, the citizens of Florida utilize their own private cars extensively, and, in the fifth place, where

speed is desired air transportation is utilized. In fact, the branch line passenger traffic and local passenger traffic within the State of Florida appears to be doomed under present conditions and unless the carriers inaugurate a faster service with more desirable schedules they will, in my opinion; continue to lose the intrastate passenger traffic in Florida.

Q. What is your next exhibit?

A. My next Exhibit, No. 60, is a comparison of the train miles, locomotive miles, car miles and revenue ton miles [fol. 1098] in the Southern Region with similar data for the system and for the State of Florida for the same three Florida roads.

Q. What comments, if any, have you to make with respect to this exhibit?

A. This exhibit shows that the revenue tons per train mile, per locomotive mile and per car mile were less for the three roads and within the State of Florida than for the Southern Region, but it also shows that the operations in Florida were more favorable than for the system of these three roads. The bottom half of the exhibit shows information with respect to passenger service, and the operations of the three roads and within the State of Florida are more favorable than in the Southern Region.

Q. What is the next exhibit which you have prepared to offer?

A. My next Exhibit, No. 61, shows for the three Florida roads the system and Florida train miles, locomotive miles and car miles operated in both freight and passenger service with the percentages that the passenger service bears to the total of both services.

Q. What comments, if any, have you to make with respect to this exhibit?

A. This exhibit shows that in each instance, with the exception of the train miles in 1938 and the locomotive miles in 1946, the passenger percentage of the total freight [fol. 1099] and passenger miles is greater in Florida than for the system as a whole.

Q. What does this indicate to your mind?

A. It indicates to my mind that the Florida roads are operating more passenger train miles, locomotive miles

and car miles within the State of Florida than are warranted, and this is especially true in view of the fact that the passenger business is being operated at a loss.

Q. What is your next exhibit?

A. My next Exhibit, No. 62, shows the freight revenue and the passenger revenue for the system, for the State of Florida and intrastate within Florida.

Q. What comments have you to make with respect to this exhibit?

A. It shows that whereas the system freight revenue has increased 100%, the increase within the State of Florida has been 106.98%, but the intrastate revenue has only increased 15.90%.

Q. What conclusion, if any, do you draw from this small intrastate increase?

A. The small increase in intrastate traffic and revenue has in my opinion been due entirely to the diversion of traffic from the rail carriers to motor common carriers, contract carriers and private carriers. The State Highway Department maintains nine and one half thousand miles of paved highway within the State over which traf-[fol. 1100] fic of practically all kinds moves by truck; in fact, trucks are now handling intrastate citrus fruits, vegetables, petroleum products, lumber, fertilizer, logs and many other commodities in volume that formerly moved by rail. Truck transportation, in fact, is not only more expeditious, but in most cases cheaper and especially so when consideration is given to the fact that a truck haul is necessary from the point of origin to the rail head and from the destination terminal to its final destination. Obviously, any increase in the presently effective intrastate rates will only result in further diversions from the rail carriers.

Q. What have you to say with respect to the lower half of this exhibit which deals with passenger traffic?

A. The lower half of the exhibit shows that while the system revenue of the three roads increased 78% and the revenues within the State of Florida increased 58%, the intrastate passenger revenue declined 32.2%.

Q. What conclusion do you draw from this showing?

A. This showing indicates to me very clearly that the

reduction in passenger revenue has been due to increased rates, fares and charges and to diversions of passengers to common carrier buses, automobiles, airplanes and to private cars. It further indicates to me that the intrastate travelers prefer other modes of transportation to that of the rail carriers and under present conditions it would appear that the carriers' program of building better road [fol. 1101] beds, installing heavier steel, operating faster and more luxurious trains is not warranted by the volume of intrastate passengers which they can hope to attract to utilize rail service because, despite the improvements in rail transportation since 1928 there has been a marked decline in the revenues from intrastate service. In my opinion the carriers should concentrate on safety, dependability and comfort rather than upon the luxuriousness of the cars and the speed with which they are operated because under no conditions where speed is a factor can the rail lines hope to compete with airplanes. In fact, they cannot hope in Florida to compete with private cars between almost all important centers.

Q. What is your next exhibit?

A. My next Exhibit, No. 63, is a statement comparing the combined net railway operating income of the Atlantic Coast Line, Seaboard Air Line and Florida East Coast Railway, system and State of Florida, with the Southern Region, for the years indicated and separating this net railway operating income between freight service, passenger service and unassigned services. I was not able to obtain this information for the Southern Region for the year 1948.

This exhibit shows that for the years 1944 and 1945 the Southern Region, the three Florida lines and the operations in Florida all showed a net railway operating income from passenger service; that subsequent to that period only the three Florida lines system operations [fol. 1102] showed a net railway operating income; that for 1947 and 1948 the system and Florida passenger deficits were both in excess of 50% of the credit from freight operations. A comparison of the net railway operating income 1947 to 1944 shows that while the Southern Region freight net railway operating income increased 39.40%, the

operations of the three railroads increased 32.41%; whereas, the operations within the State of Florida increased 45%.

This exhibit tends to show that no increases are necessary for the three railroads operating within the State of Florida either for the system as a whole or for Florida operations if passenger business is placed on a paying basis; and that the loss from passenger revenue is the real reason the carriers are seeking additional increases in freight revenue.

Q. What is your next exhibit?

A. My next Exhibit, No. 64, shows for the years 1936 to 1947 inclusive, and for the three roads and for the Southern Region the net railway operating income separated between freight, passenger and unassigned services.

Q. Why did you start with the year 1936 in this statement?

A. Because that is as far back as our annual reports show a separation of net railway operating income between freight service and passenger service.

This exhibit shows that the freight net railway operating income for the calendar year 1948 was the second [fol. 1103] highest earned during the entire period and that with the exception of the War years 1942, 1943 and 1944 it was greater than the combined freight and passenger income for any of the other years. This statement further shows that if it were not for the passenger losses the railroads would not be in need of any additional revenue whatever.

Q. What is your next exhibit?

A. My next Exhibit, No. 65, is a statement comparing the actual freight revenue, passenger revenue, total revenue, operating expenses, net railway operating revenue and net railway operating income with the amounts which would be produced by expanding the revenues for the three months ended March 31st, six months ended June 30th and nine months ended September 30th, 1948, on the ratios which each of those quarters bore to the year based upon the weighted average for the twenty years ended 1947.

Q. What do you mean by the term "expanded to yearly basis combined"?

A. That means that I have simply taken the three railroads and treated them as a unit and expanded their operations on the theory that they were a combined railroad.

Q. What do you mean "expanded on a yearly basis individual"?

A. That means that I have expanded the operations of each railroad separately and combined the separate re-
[fol. 1104] sults.

Q. What do the results of your expansions show?

A. They show that with respect to the freight revenue my estimate on the three months basis was about $3,000,000.00 short; on a six months basis was practically in accord with the actual; and on a nine months basis was a little over $2,000,000.00 in excess of the actual.

With respect to the passenger revenue the estimate based upon the first three months ratio was about $2,500,000.00 in excess of the year's actual figures; whereas, for the six months and nine months periods the estimates were less than $200,000.00 difference. With respect to the total revenues the estimates for the first three months and first six months were very close to the actual revenues for the year, but the estimate on the nine months basis was about $2,700,000.00 in excess of the actual.

With respect to operating expenses my estimates in each case exceeded the actual expenditures by from $2,500,000.00 to $4,500,000.00.

My estimates for net railway operating revenues were from $1,900,000.00 to $4,300,000.00 less than actual net railway operating revenues, while on the other hand my net railway operating income was from $2,100,000.00 to $3,700,000.00 in excess of the actual. In this connection I might say that on the first three months basis I over-estimated the Atlantic Coast Line's net railway operating income $4,507,616; that I over-estimated the Florida East
[fol. 1105] Coast Company's net railway operating income $715,032; but that I under-estimated the Seaboard Air Line's $1,492,097. I also over-estimated the Atlantic Coast Line and the Florida East Coast for the six months

ended June 30, 1948, but again under-estimated the Seaboard by about $300,000.00.

Q. What is the next exhibit you have prepared for introduction in this proceeding?

A. My next Exhibit, No. 66, is one showing the investment, net railway operating income and rate of return of the Florida East Coast Railway Company for the calendar year 1947.

Q. From what source did you secure the investment in railway property used in transportation service?

A. That was secured from the annual report of the Florida East Coast Railway Company for the calendar year 1947. It appears on Page 212 under Schedule 211N.

Q. From what source did you secure the depreciation and amortization reserve?

A. That was taken from the annual report of the company for the calendar year 1947.

Q. The investment in transportation property less recorded depreciation and amortization is arrived at by deducting the depreciation and amortization from the investment, is it not?

[fol. 1106] A. It is.

Q. How did you get the apportionment between freight service and passenger service?

A. I took the total maintenance of way and structure expenses and the total maintenance of equipment expenses exclusive of depreciation and amortization for the calendar year 1947 and found that of these expenses 57.1524% was freight and the balance passenger.

Q. Why did you use only maintenance expenses in prorating the investment in property?

A. Because in my opinion the maintenance expenses applicable to freight and passenger service more clearly reflect the investment of the property applicable to each of the services than do total expenses or any other single factor

Q. Please explain your next item—working capital.

A. The working capital represents 9.606% of the operating expenses for the calendar year 1947.

Q. From what source did you secure this 9.606%?

A. Carriers' Exhibit No. 1, Page No. 2, Column 9, in Ex Parte 166 shows the total expenses for 1946 to have been

$6,357,415,175. In 269 ICC 33-47 the working capital including material and supplies is stated to be $610,712,400.00, which amount is 9.606% of the total operating expenses. [fol. 1107] I therefore used this same percentage in making an allowance for working capital for the Florida East Coast Railway Company and applied this percentage to the total operating expenses, to the freight expenses and to the passenger expenses respectively.

Q. Your rate base consists, does it not, of the investment in transportation property less recorded depreciation and amortization plus working capital?

A. It does.

Q. Where did you secure the net railway operating income?

A. That is taken from the annual report of the railway company.

Q. The rate of return is a computed figure, is it not?

A. It is.

Q. It shows that on freight business in 1947 the Florida East Coast had a return of a little over 8%, does it not?

A. It does.

Q. Explain your next figure, net railway operating income revised to reflect $1,400,000.00 excess profit tax refund applicable to prior period.

A. This $1,400,000.00 excess profit refund is simply deducted from the recorded net railway operating income [fol. 1108] because it is applicable to periods prior to 1947.

Q. Why did you prepare an exhibit showing the rate of return of the Florida East Coast Railway only?

A. Primarily because the Atlantic Coast Line and Seaboard Air Line do not make investment returns and depreciation allowances applicable to Florida operations. Any attempt to apportion the investment to Florida operations would necessitate rather lengthy investigation and a determination of proper factors, for which we have neither the force nor the time available. In addition, it is well known by this Commission and others that the operations of the Florida East Coast Railway are less favorable in Florida than are those of the Atlantic Coast Line or the Seaboard Air Line.

Q. What is the next exhibit which you have prepared to offer?

A. My next Exhibit, No. 67, is identical with Exhibit No. 66, except that it is for the calendar year 1948.

Q. Was it prepared in the same manner as the previous exhibit?

A. It was.

Q. And what does it show with respect to the freight rate of return?

A. It shows that the freight service produced a return of 12.35%.

Q. Do you think that the Florida Railroad and Public Utilities Commission would be entitled to authorize a return on intrastate operations of over 12%?

[fol. 1109] A. No, sir, I do not.

Q. Has the Florida Legislature to your knowledge ever passed an Act similar to the National Transportation Policy?

A. It has not to my knowledge.

Q. Do you know what the law is in Florida with respect to intrastate rates?

A. I do. The Supreme Court of Florida in 62 Florida 315 held that "where the same property, labor and management are used at the same time by a common carrier in interstate and intrastate commerce the value of the property and labor and management used should be properly apportioned in determining the reasonableness of the compensation for service rendered by the carrier in the intrastate business taken separately and as an entirety, or in connection with the interstate business currently done."

Q. Do you know of any Florida law which would justify the Florida Railroad and Public Utilties Commission placing upon the shippers of freight excessive rates in order to compensate for the loss in passenger revenue?

A. I do not. On the contrary, the Supreme Court of Florida held (Vol. 63, Page 288) that the remedy of the carriers for insufficient compensation for the rendition of passenger service is an application for an allowance of more remunerative rates.

Q. Did the evidence introduced by the carriers in the proceeding before the Florida Railroad and Public Utili-

[fol. 1110] ties Commission in Docket 1574, which decision is now under attack, introduce any evidence whatever showing what the intrastate investment, operating revenues, operating expenses, taxes, joint facility rents and equipment rentals were?

A. They did not.

Q. Would the evidence filed by the carriers in Docket 1574 permit the Florida Railroad and Public Utilities Commission to perform its duties under the conditions laid down by the Florida Supreme Court?

A. It would not.

Q. What is the next exhibit you have to offer?

A. My next Exhibit, No. 68, is one comparing the net railway operating income for the three months ended March 31, 1947, and March 31, 1948, with the percentage increases or decreases by districts or regions with similar information prepared for the Atlantic Coast Line Railroad Company, Florida East Coast Railway Company and Seaboard Air Line Railroad Company for the system and for their operations within the State of Florida.

Q. Is this exhibit identical with Exhibit No. 59 which you introduced in Docket 1574 before the Florida Commission?

A. It is.

Q. What does this exhibit show?

[fol. 1111] A. It shows that except for the Southern Region which showed an increase of 8.4%, the 1948 net railway operating income was from 3.5% to 76.8% less than in the preceding year and that for the United States as a whole it was 19.1%; whereas, the three railroads operating to, from and within Florida show an increase of 25.9% for the system and 26.6% for the Florida operation.

Q. What is your next exhibit?

A. My next Exhibit, No. 69, is similar to Exhibit No. 68, except that it is for the six months ended June 30, 1947 and 1948.

Q. What does this exhibit show?

A. It shows that all of the regions or districts except the Pocahontas Region and the Northwestern Region of the Western District had a percentage increase in net railway operating income for the first six months ended June 30,

1948; that the average increase for the United States was 9.94%; for the Southern Region was 22.67%; for the three Florida roads as a system was 51% and that the Florida operations were 59.9%, a higher increase than obtained for any district or region.

Q. What is your next exhibit?

A. My next Exhibit, No. 70, is similar to Exhibit No. 68, except that it covers the nine months ended September 30, 1947 and 1948.

[fol. 1112] Q. What does this exhibit show?

A. This exhibit shows that the net railway operating income for the nine months ended September 30, 1948, was from 8.7% in the Pocahontas Region to 86.5% higher in the New England Region than for the similar period of 1947. It shows that the Southern Region increase was 44% compared to an increase of 103.2% for the three Florida roads as a system and compared to 167.4% for the operations in Florida.

Q. What is your next exhibit?

A. My next Exhibit, No. 71, shows the same information as the previous exhibit except that it is for the twelve months ended December 31, 1947 and 1948.

Q. What does this exhibit show?

A. It shows that each of the regions and districts and the United States show a percentage increase in net railway operating income in 1948 over 1947 from 7.3% in the Pocahontas Region to 89.2% in the New England Region; that the Southern Region increase was 33.9%, whereas, the increase for the three Florida roads was 50.7% and for the three Florida roads Florida operations 60.4%.

Q. Do these last four exhibits introduced by you further confirm your opinion that the agricultural, industrial and traffic conditions in the Southern Region are not typical of those in the State of Florida?

A. They most certainly do.

[fol. 1113]

PROTESTANT'S EXHIBIT No. 54

I.C.C. Docket No. 30140

Witness: Pettijohn

Statement Showing Tons of Revenue Freight Originated Within Southern Region; and on System; and Within State of Florida, by the Atlantic Coast Line Railroad, Florida East Coast Railway, and and Seaboard Airline Railroad Company.

	Southern Region (1)	Percent Relationship to 1928 (2)	A.C.L., F.E.C., S.A.L. System (3)	Percent Relationship to 1928 (4)	A.C.L., F.E.C., S.A.L. Florida (5)	Percent Relationship to 1928 (6)
1928	187,305,858	100.0000	26,585,160	100.0000	13,150,724	100.0000
1929	179,729,462	95.9556	24,880,664	93.5885	12,905,042	98.1318
1930	157,319,360	83.9911	23,289,927	87.6056	12,560,232	95.5098
1931	124,176,361	66.2964	18,294,150	68.8134	9,491,671	72.1760
1932	88,943,080	47.4857	11,942,651	44.9222	6,959,816	52.9234
1933	92,221,363	49.2360	12,877,502	48.4387	7,618,670	57.9335
1934	99,246,665	52.9867	14,595,039	54.8992	8,699,296	66.1507
1935	104,141,724	55.6001	15,063,117	56.6599	8,901,288	67.6867
1936	126,275,441	67.4171	17,509,749	65.8629	9,790,042	74.4449
1937	134,218,957	71.6580	20,350,519	76.5484	10,859,731	82.5790
1938	113,368,927	60.5264	18,782,838	70.6516	10,464,585	79.5742
1939	124,272,480	66.3477	20,267,603	76.2365	11,259,742	85.6207
1940	140,073,146	74.7835	24,228,479	91.1354	13,355,749	101.5590
1941	175,478,359	93.6860	30,743,502	115.6416	16,038,141	121.9563
1942	217,033,555	115.8718	39,531,366	148.6971	20,624,125	156.8288
1943	218,830,979	116.8314	43,730,555	164.4924	26,445,454	201.0950
1944	214,244,655	114.3829	37,203,700	139.9416	21,517,671	163.6234
1945	210,196,949	112.2218	36,535,720	137.4290	20,635,386	156.9152
1946	211,310,392	112.8163	44,453,321	167.2110	24,838,155	188.8729
1947	231,468,396	123.5784	45,785,988	172.2239	27,205,524	206.8747
1948	na	na	47,492,654	178.6435	29,281,298	222.6592

na—Not available.

Source: Column 1 from Ex Parte 168, Exhibit 3, Page 21, Column 4. Columns 3 and 5 from annual reports to Florida Railroad and Public Utilities Commission.

[fol. 1115] I.C.C. Docket No. 30140

PROTESTANT'S EXHIBIT No. 56—Witness: Pettijohn

Statement Showing the Revenue Ton Miles and Freight Revenue of:
(1) The Southern Region;
(2) The Combined Operations of the Atlantic Coast Line Railroad Company, Florida East Coast Railway Company, and the Seaboard Air Line Railroad Company;
(3) The Combined Operations Within the State of Florida of the Atlantic Coast Line Railroad Company, Florida East Coast Railway Company, and the Seaboard Air Line Railroad Company

	Southern Region (1)	Percent Relationship to 1928 (2)	A.C.L., F.E.C., and S.A.L. System (Thousands) (3)	Percent Relationship to 1928 (4)	A.C.L., F.E.C. and S.A.L. Florida (Thousands) (5)	Percent Relationship to 1928 (6)
			Revenue Ton Miles			
1928	$57,784,149,746	100.0000	$6,940,895	100.0000	$2,194,600	100.0000
1929	57,089,152,045	98.7973	6,935,742	99.9258	2,128,251	96.9767
1930	48,720,761,387	84.3151	6,205,842	89.4098	1,987,952	90.5838
1931	39,031,788,504	67.5476	5,325,589	76.7277	1,570,996	71.5846
1932	29,165,157,902	50.4726	3,678,932	53.0037	1,135,773	51.7531
1933	30,942,035,404	53.5476	3,919,344	56.4674	1,205,608	54.9352
1934	32,900,841,227	56.9375	4,183,691	60.2760	1,367,993	62.3345
1935	35,204,471,052	60.9241	4,213,464	60.7049	1,321,971	60.2374
1936	42,449,828,000	73.4628	5,034,206	72.5296	1,523,500	69.4204
1937	45,319,926,000	78.4297	5,891,191	84.8765	1,742,510	79.3999
1938	39,219,611,793	67.8726	5,328,008	76.7625	1,623,539	73.9788
1939	43,800,066,464	75.7994	5,973,684	86.0650	1,769,468	80.6283
1940	48,671,563,000	84.2300	6,895,132	99.3407	2,032,049	92.5931
1941	62,728,951,000	108.5574	9,505,131	136.9439	2,540,936	115.7813
1942	89,457,212,000	154.8127	15,427,226	222.2657	4,245,784	193.4651
1943	101,469,131,000	175.6003	19,107,270	275.2854	5,935,601	270.4639
1944	100,678,673,000	174.2323	18,563,075	267.4450	5,121,613	233.3734
1945	91,855,860,000	158.9638	16,888,882	243.3243	4,608,151	209.9768
1946	84,184,932,000	145.6886	16,897,408	243.4471	5,033,708	229.3679
1947	89,082,924,000	154.1650	16,823,051	242.3758	5,257,490	239.5648
1948	87,400,000,000	151.2526	16,734,589	241.1013	5,200,556	236.9706
			Freight Revenue			
1928	$ 621,343,474	100.0000	$103,598,324	100.0000	$32,315,783	100.0000
1929	620,009,929	99.7854	105,423,366	101.7617	32,876,095	101.7339
1930	526,150,541	84.6795	92,193,900	88.8917	29,153,051	90.2130
1931	429,600,486	69.1406	81,054,728	78.2394	26,124,468	80.8412
1932	317,763,287	51.1413	57,865,198	55.8553	19,083,162	59.0521
1933	331,674,892	33.1675	60,169,000	58.0791	19,615,228	60.6986
1934	342,662,035	55.1486	61,490,101	59.3543	20,453,315	63.2920
1935	361,243,784	58.1391	60,044,884	57.9593	18,972,868	58.7108
1936	424,563,211	68.3299	67,000,202	64.6731	21,124,931	65.3703
1937	433,583,679	69.7816	73,479,493	70.9273	22,323,982	69.0807
1938	397,147,802	63.9176	69,531,352	67.1163	22,783,300	70.5021
1939	437,562,442	70.4220	75,066,180	72.4589	24,352,614	75.3583
1940	464,363,485	74.7354	80,005,034	77.2262	25,969,788	80.3626
1941	593,484,607	95.5163	104,788,596	101.1489	30,893,307	95.5982
1942	848,579,287	136.5717	170,696,931	164.7680	50,798,781	157.1950
1943	960,441,101	154.5749	207,998,817	200.7743	67,793,358	209.7840
1944	981,927,558	158.0330	205,487,893	198.3506	61,424,856	190.0770
1945	909,170,388	146.3233	185,411,420	178.9714	54,821,924	169.6444
1946	840,171,010	135.2184	188,810,190	182.2522	60,608,999	187.5523
1947	974,182,930	156.7865	207,272,552	200.0733	66,887,480	206.9808
1948	1,094,487,014	176.1485	232,212,859	224.1473	75,187,419	232.6647

Source: Column (1) from Ex Parte 168, Exhibit 34, Page 21, Column 9, and Page 5, Column 4.
Columns (3) and (5) from Annual Reports to Florida Railroad and Public Utilities Commission.

(Here follows 1 Paster, side folio 1116)

[fol. 1114] PROTESTANT'S EXHIBIT NO. 55

I.C.C. Docket No. 30140 Witness: Pettijohn

Statement Showing for the Atlantic Coast Line Railroad Company, Florida East Coast Railway Company and Seaboard Airline Railroad Company, Tons of Revenue Freight Originated, Terminated and Handled on the Systems and Within the State of Florida

	Originated			Terminated			Total Freight Handled	
	System	Florida	Percent Florida to System	System	Florida	Percent Florida to System	System	Florida
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1928	$26,585,160	$13,150,724	49.466	$24,507,799	$12,149,220	49.573	$38,227,225	$16,908,771
1929	24,880,664	12,905,042	51.868	22,094,495	11,524,939	52.162	35,821,722	16,613,315
1930	23,289,927	12,560,232	53.930	21,218,240	10,973,190	51.716	33,304,612	15,664,651
1931	18,294,150	9,491,671	51.884	16,617,729	8,126,720	48.904	27,444,206	12,288,895
1932	11,942,651	6,959,816	58.277	11,216,060	6,193,414	55.219	17,991,394	8,850,632
1933	12,877,502	7,618,670	59.163	12,189,361	6,662,359	54.657	19,676,177	9,711,721
1934	14,595,039	8,699,296	59.604	14,327,378	8,049,042	56.179	22,337,281	11,145,337
1935	15,063,117	8,901,288	59.093	14,714,854	8,366,603	56.858	23,017,634	11,284,660
1936	17,509,749	9,790,042	55.912	17,284,148	9,354,095	54.120	27,226,394	12,739,136
1937	20,350,519	10,859,731	53.363	19,741,885	9,924,726	50.272	31,165,315	14,085,043
1938	18,782,838	10,464,585	55.714	18,055,499	9,522,665	52.741	28,676,871	13,710,756
1939	20,267,603	11,259,742	55.555	19,690,052	10,170,903	51.655	31,583,674	14,841,774
1940	24,228,479	13,355,749	55.124	25,124,243	13,033,241	51.875	38,556,217	17,991,855
1941	30,743,502	16,038,141	52.168	32,333,574	15,405,879	47.647	50,300,956	21,794,055
1942	39,531,366	20,624,125	52.172	42,680,162	18,889,034	44.257	69,295,386	30,801,529
1943	43,730,555	26,445,454	60.474	44,848,566	22,361,621	49.860	77,811,317	39,844,709
1944	37,203,700	21,517,671	57.837	39,127,936	17,570,438	44.905	70,929,669	33,169,795
1945	36,535,720	20,635,486	56.480	37,758,758	17,382,433	46.035	67,260,235	30,827,644
1946	44,453,321	24,838,155	55.875	43,414,079	21,881,822	50.403	72,779,531	36,218,041
1947	45,785,988	27,205,524	59.419	46,333,661	23,852,387	51.480	75,170,566	38,272,816
1948	47,492,654	29,281,298	61.654	47,814,140	24,822,452	51.914	77,640,172	40,283,802
1947 Percent to 1928	172.2239	206.8747	.....	189.0568	196.3285	.....	196.6414	226.3489
1947 Percent to 1939	225.9073	241.6176	.....	235.3151	234.5159	.....	238.0045	257.8722

Source: Annual reports to Florida Railroad and Public Utilities Commission.

[fol. 1116]

PROTESTANT'S EXHIBIT No. 57

I.C.C. Docket No. 30140

Witness: Pettijohn

Statement Showing Revenue Ton Miles, Freight Revenue, and Revenue Per Ton Mile for Atlantic Coast Line Railroad Company, Florida East Coast Railway Company, and Seaboard Airline Railroad Company, for the System and in the State of Florida; also Revenue Per Ton Mile for the Southern Region

	Revenue Ton Miles (Thousands)			Freight Revenue			Revenue per Ton Mile				
	System (1)	Florida (2)	Percent Florida to System (3)	System (4)	Florida (5)	Percent Florida to System (6)	System (7)	Florida (8)	Percent Florida to System (9)	Southern Region (10)	Percent Florida to So. Region (11)
1928	$ 6,940,895	$2,194,600	31.63	$103,598,324	$32,315,783	31.19	$.01493	$.01473	98.66	$ 01078	136.64
1929	6,935,742	2,128,251	30.69	105,423,366	32,876,095	31.18	.01520	.01545	101.64	.01088	142.00
1930	6,205,842	1,987,952	32.03	92,193,900	29,153,051	31.62	.01486	.01466	98.65	.01082	135.49
1931	5,325,589	1,570,996	29.50	81,054,728	26,124,468	32.23	.01522	.01663	109.26	.01104	150.63
1932	3,678,932	1,135,773	30.87	57,865,198	19,083,162	32.98	.01573	.01680	106.80	.01089	154.27
1933	3,919,344	1,205,608	30.76	60,169,000	19,615,228	32.60	.01535	.01627	105.99	.01072	151.77
1934	4,183,691	1,307,993	32.70	61,490,101	20,453,315	33.26	.01470	.01495	101.70	.01043	143.34
1935	4,213,464	1,321,971	31.37	60,044,884	18,972,868	31.60	.01425	.01697	119.09	.01029	164.92
1936	5,034,206	1,523,500	30.26	67,000,202	21,124,931	31.53	.01331	.01387	104.21	.01002	138.42
1937	5,891,191	1,742,510	29.58	73,479,493	22,323,982	30.38	.01247	.01281	102.73	.00959	133.58
1938	5,328,008	1,623,539	30.47	69,531,352	22,783,300	32.77	.01305	.01403	107.51	.01013	138.50
1939	5,973,684	1,769,468	29.62	75,066,180	24,352,614	32.44	.01257	.01376	109.47	.01001	137.46
1940	6,895,132	2,032,049	29.47	80,065,034	25,969,788	32.46	.01160	.01278	110.17	.00954	133.96
1941	9,505,131	2,540,936	26.73	104,788,596	30,893,307	29.48	.01102	.01216	110.34	.00946	128.54
1942	15,427,226	4,245,784	27.52	170,696,931	50,798,781	29.76	.00106	.01196	108.14	.00949	126.03
1943	19,107,270	5,935,601	31.06	207,998,817	67,793,358	32.59	.01089	.01142	104.87	.00948	120.46
1944	18,563,075	5,121,613	27.59	205,487,893	61,424,856	29.89	.01107	.01199	108.31	.00976	122.85
1945	16,888,882	4,608,151	27.29	185,411,420	54,821,924	29.57	.01098	.01190	108.38	.00993	119.84
1946	16,897,408	5,033,708	29.79	188,810,190	60,608,999	32.10	.01117	.01204	107.79	.01000	120.40
1947	16,823,051	5,257,490	31.25	207,272,552	66,887,480	32.27	.01232	.01272	103.25	.01094	116.27
1948	16,734,589	5,200,556	31.08	232,212,859	75,187,419	32.38	.01388	.01446	104.18	na,	na

na--Not available.

Source: Columns 1, 2, 4, and 5—Annual Reports to Florida Railroad and Public Utilities Commission.
Columns 3, 6–9, 11—Computed.
Column 10—Exhibit 3, Page 22, Column 4, Ex Parte 168.

[fol. 1117]

PROTESTANT'S EXHIBIT No. 58

I. C. C. Docket No. 30

Witness: Pettijohn

Statement Showing Revenue Passenger Miles and Passenger Revenue for the Southern Region, and for the System and State of Florida, for the Atlantic Coast Line Railroad, Florida East Coast Railway, and Seaboard Airline Railroad

	Southern Region (1)	Percent Relationship to 1928 (2)	A.C.L., F.E.C., and S.A.L. System (3)	Percent Relationship to 1928 (4)	A.C.L., F.E.C., and S.A.L. Florida (5)	Percent Relationship to 1928 (6)
			Revenue Passenger Miles			
1928	$ 3,716,867,146	100.0000	$ 725,121,832	100.0000	$ 276,609,874	100.0000
1929	3,484,067,452	93.7367	666,924,478	91.9741	244,543,973	88.4075
1930	2,834,414,494	76.2582	569,846,522	78.5863	207,617,146	75.0577
1931	2,126,822,183	57.2208	426,790,799	58.8578	155,531,372	56.2277
1932	1,705,849,809	45.8948	341,618,066	47.1118	119,332,986	43.1413
1933	1,908,069,873	51.3354	390,052,741	53.7913	137,810,717	49.8213
1934	2,327,025,853	62.6072	545,598,398	75.2423	198,155,005	71.6370
1935	2,408,800,233	64.8073	596,404,873	82.2489	219,105,376	79.2110
1936	2,872,584,446	77.2851	740,841,132	102.1678	272,630,060	98.5612
1937	3,129,714,748	84.2030	851,456,560	117.4226	311,827,986	112.7321
1938	2,450,534,566	65.9301	670,568,297	92.4766	242,441,745	87.6475
1939	2,752,293,323	74.0487	827,605,775	114.1333	296,978,508	107.3637
1940	3,174,123,856	85.3978	1,082,578,325	149.2961	390,574,138	141.2004
1941	4,436,307,370	119.3561	1,547,716,861	213.4423	479,941,974	173.5086
1942	9,059,343,329	243.7360	3,151,887,467	434.6701	952,052,659	344.1861
1943	14,676,003,548	394.8488	4,869,186,667	671.4991	1,570,005,508	567.5884
1944	15,275,642,597	410.9817	5,143,608,790	709.3441	1,543,974,163	558.4775
1945	13,731,916,159	369.4487	4,699,113,305	648.0447	1,475,136,344	533.2913
1946	8,801,747,356	236.8055	2,858,662,940	394.2321	862,165,966	314.6902
1947	6,099,292,374	164.0977	2,081,481,827	287.0527	680,502,770	246.0154
1948	5,400,000,000	145.2836	1,871,288,757	258.0654	621,121,487	224.5478

Statement Showing Revenue Passenger Miles and Passenger Revenue for the Southern Region, and for the System and State of Florida, for the Atlantic Coast Line Railroad, Florida East Coast Railway, and Seaboard Airline Railroad

	Southern Region (1)	Percent Relationship to 1928 (2)	A.C.L., F.E.C., and S.A.L. System (3)	Percent Relationship to 1928 (4)	A.C.L., F.E.C., and S.A.L. Florida (5)	Percent Relationship to 1928 (6)
			Passenger Revenue			
1928	$ 118,296,618	100.0000	$ 25,382,711	100.0000	$ 9,787,738	100.0000
1929	108,739,548	91.9211	23,408,608	92.2226	8,727,958	89.1724
1930	85,651,470	72.4040	19,741,067	77.7737	7,302,440	74.6080
1931	60,193,973	50.8839	14,173,711	55.8400	5,201,480	53.1428
1932	38,908,933	32.8910	8,916,253	35.1273	3,225,956	32.9592
1933	35,403,693	29.9279	7,989,205	31.4750	2,886,217	29.4881
1934	40,186,144	33.9707	10,207,644	40.2149	3,760,011	38.4155
1935	41,764,061	35.3045	11,123,212	43.8220	4,111,714	42.0088
1936	49,524,722	41.8649	13,624,297	53.6755	5,041,482	51.5081
1937	54,984,192	46.4799	16,038,205	63.1855	5,895,100	60.2294
1938	48,432,816	40.9418	14,335,561	56.4777	5,247,456	53.6126
1939	48,437,267	40.9456	15,227,668	59.9923	5,531,755	56.5172
1940	53,639,106	45.3429	18,483,983	72.8212	6,707,133	68.5259
1941	76,110,045	64.3383	26,557,104	104.6267	8,212,639	83.9074
1942	174,201,818	147.2585	60,135,396	236.9148	13,292,058	186.8875
1943	291,716,260	246.6973	94,961,989	374.1208	30,836,044	315.0477
1944	304,141,192	257.1005	100,861,592	397.3634	30,925,771	315.9644
1945	271,849,358	229.8032	91,358,423	359.9238	29,394,585	300.3205
1946	176,674,572	149.3488	57,873,131	228.0022	18,003,819	183.9426
1947	127,774,672	108.0121	45,197,956	178.0659	15,484,541	158.2035
1948	125,404,694	106.0087	43,281,659	170.5163	14,769,112	150.8940

Source: Column (1) from Ex Parte 168, Exhibit 34, Page 21, Column 14, and Page 5, Column 5.
Columns (3) and (5) from annual reports to Florida Railroad and Public Utilities Commission.

(Here follows 1 Paster, side folio 1118)

[fol. 1118]

PROTESTANT'S EXHIBIT No. 59

I.C.C. Docket No. 30140

Witness: Pettijohn

Statement Showing Revenue Passenger Miles, Passenger Revenue, and Revenue per Passenger Mile for Atlantic Coast Line Railroad Company, Florida East Coast Railway Company and Seaboard Airline Railroad Company for the System and in the State of Florida; Also Revenue per Passenger Mile for Southern Region

	Revenue Passenger Miles			Passenger Revenue			Revenue per Passenger Mile				
	System (1)	Florida (2)	Percent Florida to System (3)	System (4)	Florida (5)	Percent Florida to System (6)	System (7)	Florida (8)	Percent Florida to System (9)	Southern Region (10)	Percent Florida to So. Region (11)
1928	$ 725,121,832	$ 276,609,874	38.14	$ 25,382,711	$ 9,787,738	38.56	$ .03500	$ .03538	101.09	$ .03185	111.08
1929	666,924,478	244,543,973	36.67	23,408,608	8,727,958	37.29	.03510	.03569	101.68	.03125	114.21
1930	569,846,522	207,617,146	36.43	19,741,067	7,302,440	36.99	.03464	.03517	101.53	.03029	116.11
1931	426,790,799	155,531,372	36.44	14,173,711	5,201,480	36.70	.03321	.03344	100.69	.02843	117.62
1932	341,618,066	119,332,986	34.93	8,916,253	3,225,956	36.18	.02610	.02703	103.56	.02277	118.71
1933	390,052,741	137,810,717	35.33	7,989,205	2,886,217	36.13	.02048	.02094	102.25	.01851	113.13
1934	545,598,398	198,155,005	36.32	10,207,644	3,760,011	36.84	.01871	.01898	101.44	.01725	110.03
1935	596,404,873	219,105,376	36.74	11,123,212	4,111,714	36.97	.01865	.01877	100.64	.01726	108.75
1936	740,841,132	272,630,060	36.80	13,624,297	5,041,482	37.00	.01839	.01849	100.54	.01716	107.75
1937	851,456,560	311,827,986	36.62	16,038,205	5,895,100	36.76	.01884	.01890	100.32	.01748	108.12
1938	670,568,297	242,441,745	36.15	14,335,561	5,247,456	36.60	.02138	.02164	101.22	.01970	109.85
1939	827,605,775	296,978,508	35.88	15,227,668	5,531,755	36.33	.01840	.01863	101.25	.01745	106.76
1940	1,082,578,325	390,574,138	36.08	18,483,983	6,707,133	36.29	.01707	.01717	100.59	.01677	102.81
1941	1,547,716,861	479,941,974	31.01	26,557,104	8,212,639	30.92	.01716	.01711	99.71	.01706	100.29
1942	3,151,887,467	952,052,659	30.21	60,135,396	18,292,058	30.41	.01908	.01921	100.68	.01918	100.16
1943	4,869,186,667	1,570,005,508	32.24	94,961,989	30,836,044	32.47	.01950	.01964	100.72	.01990	98.69
1944	5,143,608,790	1,543,974,163	30.02	100,861,532	30,925,771	30.66	.01961	.02003	102.14	.01992	100.55
1945	4,699,113,305	1,475,136,344	31.39	91,358,423	29,394,585	32.18	.01944	.01993	102.52	.01982	100.55
1946	2,858,662,940	862,165,966	30.16	57,873,131	18,003,819	31.11	.02024	.02088	103.16	.02001	104.35
1947	2,081,481,827	680,502,770	32.69	45,197,956	15,484,541	34.26	.02171	.02275	104.79	.02092	108.75
1948	1,871,288,757	621,121,487	33.19	43,281,639	14,769,112	34.12	.02313	.02378	102.81	na	na

na—Not available.

Source: Columns 1, 2, 4, 5—Annual reports to Florida Railroad and Public Utilities Commission.
Columns 3, 6, 7, 8, 9, 11—Computed.
Column 10—Exhibit 3, Page 22, Ex Parte 168.

[fol. 1119]

PROTESTANT'S EXHIBIT No. 60

I.C.C. Docket No. 30140

Witness: Pettijohn

Statement Showing for Selected Items Comparative Operations of the Atlantic Coast Line Railroad Company, Florida East Coast Railway Company and Seaboard Air Line Railroad Company for the System and in the State of Florida and for the Southern Region—Calendar Year 1947.

	A.C.L. Railroad, S.A.L. Railroad, and F.E.C. Railway Combined		(C)
	(A) Florida	(B) System	Southern Region
Freight Service			
1. Train Miles	$ 7,469,161	$ 23,228,851	$ 105,659,738
2. Locomotive Miles—Road	7,633,456	24,483,777	113,098,649
3. Locomotive Miles—Switching	1,019,647	2,314,693	7,615,027
4. Car Miles	285,750,539	974,660,434	4,583,482,000
5. Revenue Ton-Miles (Thousands)	5,257,490	16,823,051	89,082,923
6. Revenue Tons per Train Mile	703.89	724.23	843.11
7. Revenue Tons per Locomotive Mile—Road	688.74	687.11	787.66
8. Revenue Tons per Car-Mile	18.40	17.26	19.44
Passenger Service			
9. Train Miles	6,236,680	18,183,834	61,008,188
10. Locomotive Miles—Road	6,363,266	18,401,312	58,182,372
11. Locomotive Miles—Switching	6,861	11,079	13,818
12. Motor Car Miles		81,699	7,302,730
13. Car Miles	65,978,001	195,154,028	568,494,685
14. Revenue Passenger Miles	680,502,770	2,081,481,827	6,099,292,374
15. Revenue Passengers per Train Mile	112.98	114.47	99.97
16. Revenue Passengers per Locomotive Mile—Road	106.94	113.12	104.83
17. Revenue Passengers per Car Mile	10.31	10.67	10.73

Source: Column (A) Items 1–5 and 9–14 from Annual Reports to Florida Railroad & Public Utilities Commission.
Columns (B) and (C)—I. C. C. Comparative Statement Railway Operating Statistics dated September, 1948—Statement No. 48200, calendar year 1947.
Item 14, Column (C), Exhibit 3, Page 21, Column 14, Ex Parte 168.
Items 6–8 and 15–17—Computed.

[fol. 1120] PROTESTANT'S EXHIBIT NO. 61

I.C.C. Docket No. 30140 Witness: Pettijohn

Revenue Miles Statistics
Atlantic Coast Line, Florida East Coast, and Seaboard Airline

	System				Florida			
	Total	Freight	Passenger	Percent Passenger to Total	Total	Freight	Passenger	Percent Passenger to Total
				Train Miles				
1936	28,797,383	13,514,924	15,282,459	53.069	10,180,947	4,673,118	5,507,829	54.099
1937	30,203,005	14,477,115	15,725,890	52.067	10,535,116	4,908,770	5,626,346	53.406
1938	28,194,213	13,473,797	14,720,416	52.211	9,909,770	4,857,886	5,051,884	50.979
1939	29,547,060	14,800,762	14,746,298	49.908	10,503,377	5,225,056	5,278,321	50.254
1940	31,741,842	15,659,012	16,082,830	50.668	11,343,925	5,297,755	6,046,170	53.299
1941	35,285,204	18,688,665	16,596,539	47.035	11,909,794	6,080,104	5,829,690	48.949
1942	42,382,011	23,547,675	18,834,336	44.439	14,048,525	7,466,176	6,582,349	46.854
1943	46,163,643	25,348,953	20,814,690	45.089	15,746,795	8,416,524	7,330,271	46.551
1944	46,345,321	25,276,529	21,068,792	45.460	15,243,407	8,042,490	7,200,917	47.240
1945	43,979,692	23,989,949	19,989,743	45.452	14,428,990	7,652,953	6,776,037	46.961
1946	42,272,991	24,328,225	17,944,766	42.450	13,712,889	7,833,350	5,879,489	42.876
1947	41,412,685	23,228,851	18,183,834	43.909	13,705,841	7,469,161	6,236,680	45.504
1948	39,840,026	22,406,608	17,433,418	43.759	13,268,690	7,229,892	6,038,798	45.512
1947 to 1936	143.807	171.876	118.985	.....	134.622	159.832	113.233	.....
				Locomotive Miles				
1936	34,055,394	18,851,289	15,204,105	44.645	12,161,532	6,509,073	5,652,459	46.478
1937	36,129,950	20,455,096	15,674,854	43.385	12,657,145	5,884,440	5,772,705	45.608
1938	33,694,472	19,042,633	14,651,839	43.484	12,017,610	6,742,587	5,275,023	43.894
1939	35,753,347	20,722,226	15,031,121	42.041	12,981,414	7,268,645	5,712,769	44.007
1940	38,763,969	22,076,477	16,687,492	43.049	14,028,027	7,501,518	6,526,509	46.525
1941	48,710,968	26,598,958	22,112,010	45.394	16,293,980	8,618,569	7,675,411	47.106
1942	60,799,373	33,915,347	26,884,026	44.218	19,776,676	10,685,278	9,091,398	45.970

[fol. 1120]

PROTESTANT'S EXHIBIT NO. 61

I.C.C. Docket No. 30140

Witness: Pettijohn

Revenue Miles Statistics
Atlantic Coast Line, Florida East Coast, and Seaboard Airline

	System				Florida			
	Total	Freight	Passenger	Percent Passenger to Total	Total	Freight	Passenger	Percent Passenger to Total
			Locomotive Miles					
1943	66,184,118	36,862,312	29,321,806	44.303	22,095,827	12,175,343	9,920,484	44.898
1944	58,354,139	35,655,563	22,698,576	38.898	19,482,961	11,647,620	7,835,341	40.216
1945	55,355,645	34,054,337	21,301,308	38.481	18,516,928	11,213,493	7,303,435	39.442
1946	53,918,050	35,166,099	18,751,951	34.779	17,979,549	11,738,051	6,241,498	34.714
1947	52,981,988	34,036,012	18,945,976	35.759	17,873,280	11,282,535	6,590,745	36.875
1948	51,340,930	33,215,070	18,125,860	35.305	17,471,728	11,100,778	6,370,950	36.464
1947 to 1936	155.576	180.550	124.611	.....	146.966	173.336	116.600	.....
			Car Miles					
1936	620,216,411	497,573,530	122,642,881	19.774	192,182,508	147,896,470	44,286,038	23.044
1937	694,179,569	561,957,622	132,221,947	19.047	210,910,408	163,598,190	47,312,218	22.432
1938	664,403,562	541,595,214	122,808,348	18.484	209,897,511	166,749,437	43,148,074	20.557
1939	704,280,755	574,685,919	129,594,836	18.401	219,541,499	173,372,789	46,168,710	21.030
1940	751,203,882	609,115,883	142,087,999	18.915	237,442,801	185,270,916	52,171,885	21.972
1941	892,554,798	736,740,713	155,814,085	17.457	260,498,979	206,389,009	54,109,970	20.772
1942	1,169,989,828	973,352,188	196,637,640	16.807	336,878,545	270,182,019	66,696,526	19.798
1943	1,320,683,531	1,088,879,641	231,803,890	17.552	392,704,147	312,759,446	79,944,701	20.357
1944	1,346,125,178	1,100,815,270	245,309,908	18.223	395,831,262	314,022,057	81,809,205	20.668
1945	1,270,367,711	1,036,892,549	233,475,162	18.379	370,394,097	293,481,368	76,912,729	20.765
1946	1,223,479,950	1,022,743,133	200,736,817	16.407	367,097,569	302,060,944	65,036,625	17.716
1947	1,175,185,587	979,400,138	195,785,449	16.660	354,285,665	288,151,398	66,134,267	18.667
1948	1,169,016,271	976,272,445	192,746,826	16.488	353,226,763	287,653,829	65,572,934	18.564
1947 to 1936	189.480	196.835	159.639	.....	184.349	194.833	149.334	.....

[fol. 1121]

I. C. C. Docket No. 30140

PROTESTANT'S EXHIBIT No. 62

Witness: Pettijohn

Operating Revenues
Atlantic Coast Line, Florida East Coast, Seaboard Air Line

Freight Revenue Account No. 101

	System	Florida	Percent Florida System	Intrastate	Percent of System	Percent of Florida
1928	$103,598,324	$32,315,783	31.19	$13,762,010	13.28	42.59
1929	105,423,366	32,876,095	31.18	12,319,969	11.69	37.47
1930	92,193,900	29,153,051	31.62	11,263,913	12.22	38.64
1931	81,054,728	26,124,468	32.23	8,932,946	11.02	34.19
1932	57,865,198	19,083,162	32.98	6,580,151	11.37	34.48
1933	60,169,000	19,615,228	32.60	5,906,235	9.82	30.11
1934	61,490,101	20,453,315	33.26	6,705,810	10.91	32.79
1935	60,044,884	18,972,868	31.60	6,128,039	10.21	32.30
1936	67,000,202	21,124,931	31.53	6,265,400	9.35	29.66
1937	73,479,493	22,323,982	30.38	5,922,328	8.06	26.53
1938	69,531,352	22,783,300	32.77	6,101,174	8.77	26.78
1939	75,066,180	24,352,614	32.41	6,643,263	8.85	27.28
1940	80,005,034	25,969,788	32.46	8,154,738	8.15	31.40
1941	104,788,596	30,893,307	29.48	9,708,205	9.26	31.42
1942	170,696,931	50,798,781	29.76	14,252,583	8.35	28.06
1943	207,998,817	67,793,358	32.59	18,203,828	8.75	26.85
1944	205,487,893	61,424,856	29.89	13,618,233	6.62	22.17
1945	185,411,420	54,821,924	29.57	12,036,539	6.49	21.96
1946	188,810,190	60,608,999	32.10	14,598,358	7.73	24.09
1947	207,272,552	66,887,480	32.27	15,950,328	7.70	23.85
1948	232,212,859	75,187,419	32.38	17,432,305	7.51	23.19
Percent of 1947 to 1928	200.0732	206.9808	.....	115.9011	.....	.....

Passenger Revenue Account No. 102

	System	Florida	Percent Florida System	Intrastate	Percent of System	Percent of Florida
1928	$ 25,382,711	$ 9,787,738	38.56	$ 3,195,272	12.59	32.65
1929	23,408,608	8,727,958	37.29	2,502,824	10.69	28.68
1930	19,741,067	7,302,440	36.99	1,881,276	9.53	25.76
1931	14,173,711	5,201,480	36.70	1,242,767	8.77	23.89
1932	8,916,253	3,225,956	36.18	836,264	9.38	25.92
1933	7,989,205	2,886,217	36.13	744,772	9.32	25.80
1934	10,207,644	3,760,011	36.84	997,503	9.77	26.53
1935	11,123,212	4,111,714	36.97	1,052,310	9.46	25.59
1936	13,624,297	5,041,482	37.00	1,191,195	8.74	23.63
1937	16,038,205	5,895,100	36.76	1,256,563	7.83	21.32
1938	14,335,561	5,247,456	36.60	1,020,367	7.12	19.45
1939	15,227,668	5,531,755	36.33	976,556	6.41	17.65
1940	18,483,983	6,707,133	36.29	1,172,656	6.34	17.48
1941	26,557,104	8,212,639	30.92	1,305,001	4.91	15.89
1942	60,135,396	18,292,058	30.42	2,753,488	4.58	15.05
1943	94,961,989	30,836,044	32.47	4,604,022	4.85	14.93
1944	100,861,592	30,925,771	30.66	4,031,706	4.00	13.04
1945	91,358,423	29,394,585	32.18	5,383,994	5.89	18.32
1946	57,873,131	18,003,819	31.11	3,069,641	5.30	17.05
1947	45,197,956	15,484,541	34.26	2,166,366	4.79	13.99
1948	43,281,659	14,769,112	34.12	1,752,784	4.05	11.87
Percent of 1947 to 1928	178.0659	158.2034	.....	67.7991	.....	.....

Source: Annual reports to Florida Railroad and Public Utilities Commission.

(Here follows 1 paster, side folio 1122)

[fol. 1122]

I. C. C. Docket No. 30140

PROTESTANT'S EXHIBIT No. 63

Witness: Pettijohn

Statement Comparing the Combined Net Railway Operating Income of the Atlantic Coast Line Railroad, Seaboard Airline Railroad, and Florida East Coast Railway to the Southern Region for the Years Indicated

			Freight Service					Passenger Service					Unassignable	
Line	Code*	Year	1 Revenues	2 Expenses	3 Net Revenues	4 Operating Ratio	5 Net Railway Operating Income	6 Revenues	7 Expenses	8 Net Revenues	9 Operating Ratio	10 Net Railway Operating Income	11 Revenues	12 Expenses
1	1	1944	$1,000,589,000	$647,178,000	$353,411,000	64.68	$115,631,000	$370,597,000	$217,340,000	$153,257,000	58.65	$52,002,000	$17,000	$20,000
2	2	1944	208,431,572	133,202,811	75,228,761	63.91	23,016,161	120,433,905	68,626,722	51,807,183	56.98	18,908,290	.....	.....
3	3	1944	62,595,701	39,496,975	23,098,726	63.10	7,249,412	38,547,379	22,505,872	16,041,507	58.38	6,876,025	.....	.....
4	1	1945	928,503,000	739,973,000	188,530,000	79.70	75,095,000	336,541,000	239,887,000	96,654,000	71.28	45,542,000	4,000	4,000
5	2	1945	188,208,423	174,414,471	13,793,952	92.67	2,441,278	110,269,703	80,671,396	29,598,307	73.16	18,533,042	.....	.....
6	3	1945	56,050,117	50,071,242	5,978,875	89.33	993,097	36,842,037	25,922,950	10,919,087	70.36	6,236,432	.....	.....
7	1	1946	860,258,000	687,180,000	173,078,000	79.88	99,038,000	230,171,000	220,154,000	10,017,000	95.65	5,861,000D	6,000	5,000
8	2	1946	192,173,862	156,338,099	35,835,763	81.35	23,059,339	72,878,181	70,819,254	2,058,927	97.17	297,815	.....	.....
9	3	1946	62,358,178	48,889,244	13,468,934	78.40	8,679,453	23,740,078	22,833,299	906,779	96.18	219,450D	.....	.....
10	1	1947	1,005,476,000	727,469,000	278,007,000	72.35	161,195,000	189,288,000	221,943,000	32,655,000D	117.25	57,425,000D	7,000	5,000
11	2	1947	211,832,489	160,065,731	51,766,758	75.56	30,476,427	62,792,723	72,846,442	10,053,719D	116.01	17,092,733D	.....	.....
12	3	1947	69,629,886	52,471,374	17,158,512	75.36	10,511,889	22,403,405	25,281,538	2,878,133D	112.85	6,455,844D	.....	.....
13	1	1948	na	na	na	na	na	na	na	na	na	na	na	na
14	2	1948	236,828,399	169,717,976	67,110,423	71.66	41,332,943	60,856,899	76,791,474	15,934,575D	126.18	21,163,295D	.....	.....
15	3	1948	77,698,923	54,503,808	23,195,115	70.15	13,913,181	21,498,965	26,530,960	5,031,995D	123.41	7,318,970D	.....	.....

D—Deficit.

*Code: (1) Southern Region.
(2) Three Roads—System.
(3) Three Roads—Florida.

Source: Lines 1, 4, 7, 10—Carriers' Exhibit 34, Page 26, Ex Parte 168.
Lines 2, 3, 5, 6, 8, 9, 11, 12, 14, 15—Carriers' Annual Reports to Florida Railroad and Public Utilities Commission.

[fol. 1123]

PROTESTANT'S EXHIBIT NO. 64

I. C. C. Docket No. 30140 Witness: Pettijohn

Net Railway Operating Income Separated Between Freight, Passenger, and Unassigned for the Calendar Years Shown for the Combined Operations of the Atlantic Coast Line Railroad, Florida East Coast Railway and Seaboard Airline Railroad, and for the Southern Region.

	Total	Freight	Passenger	Unassigned
		Three Roads Combined		
1936	$ 8,214,133	$ 15,151,862	$ 7,030,276D	$ 92,547
1937	10,029,340	16,154,177	6,124,837D	.....
1938	4,869,730	13,001,072	8,131,342D	.....
1939	8,119,942	16,210,612	8,090,670D	.....
1940	9,146,786	17,037,262	7,890,476D	.....
1941	22,768,444	25,236,315	2,467,871D	.....
1942	63,015,497	45,535,694	17,479,803	.....
1943	54,582,342	32,979,889	21,602,453	.....
1944	41,924,451	23,016,161	18,908,290	.....
1945	20,974,320	2,441,278	18,533,042	.....
1946	23,357,154	23,059,339	297,815	.....
1947	13,383,694	30,476,427	17,092,733D	.....
1948	20,169,648	41,332,943	21,163,295D	.....
		Southern Region		
1936	$ 80,925,000	$111,057,000	$31,463,000D	$1,331,000
1937	74,873,000	101,544,000	27,726,000D	1,055,000
1938	60,518,000	93,861,000	33,355,000D	12,000
1939	80,514,000	114,168,000	33,659,000D	5,000
1940	81,956,000	117,403,000	35,448,000D	1,000
1941	140,666,000	161,063,000	20,395,000D	2,000D
1942	221,367,000	190,777,000	30,591,000	1,000D
1943	201,979,000	143,721,000	58,258,000	.....
1944	167,630,000	115,631,000	52,002,000	3,000D
1945	120,637,000	75,095,000	45,542,000	.....
1946	93,178,000	99,038,000	5,861,000D	1,000
1947	103,772,000	161,195,000	57,425,000D	2,000
1948	na	na	na	na

D—Deficit.

na—Not available.

Source: Annual reports to Florida Railroad and Public Utilities Commission.

[fol. 1125] I.C.C. Docket No. 30140

PROTESTANT'S EXHIBIT No. 66

Witness: Pettijohn

Investment, Net Railway Operating Income and Rate of Return of Florida East Coast Railway Company—Calendar Year—1947

	Total	Freight	Passenger
Investment in Railway Property used in transpn service	87,674,062	.....	.....
Depreciation & Amortization Reserve	13,848,064	.....	.....
Investment in Transportation Property less recorded depreciation & amortization	73,825,998	42,193,330	31,632,668
Working Capital—9.606%	2,275,016	1,222,481	1,052,535
Rate Base	76,101,014	43,415,811	32,685,203
Net Railway Operating Income	1,544,281	3,572,614	2,028,333 R
Rate of Return	2.0292	8.2288	.....
Net Railway Operating Income Revised to reflect $1,400,000 excess profit tax refund applicable to prior years—per Ex. S14	144,281	2,172,614	2,028,333 R
Rate of Return	.1896	4.9927	.....

R denotes red figure.

[fol. 1126] I.C.C. Docket No. 30140

PROTESTANT'S EXHIBIT No. 67

Witness: Pettijohn

Investment, Net Railway Operating Income and Rate of Return of Florida East Coast Railway Company—Calendar Year—1948

	Total	Freight	Passenger
Investment in Railway Property used in transpn service	87,272,435	.....	.....
Acq. Adj., Donations, Grants, Depreciation & Amortization	13,972,175	.....	.....
Investment in Railway Property used in transpn service less recorded depr. & amor.	73,300,260	36,746,666	36,553,594
Working Capital—9.606 of Operating Capital	2,295,624	1,177,855	1,117,769
Rate Base	75,595,884	37,924,521	37,671,363
Net Operating Income	1,855,052	4,685,134	2,830,082 R
Rate of Return	2.4539	12.3538	.....

R denotes red figure.

[fol. 1127]

I.C.C. Docket No. 30140

PROTESTANT'S EXHIBIT No. 68

Witness: Pettijohn

Net Railway Operating Income
Three Months Ended March 31

District or Region	1948	1947	Percentage Increase
New England Region	$ 503,210	$ 2,172,953	76.8*
Great Lakes Region	15,293,511	20,015,399	23.6*
Central Eastern Region	16,975,926	18,961,599	10.5*
Eastern District	$ 32,772,647	$ 41,149,951	20.4*
Pocahontas Region	$ 16,106,356	$ 25,213,973	36.1*
Southern Region	33,892,793	31,253,038	8.4
Southern District	$ 49,999,149	$ 56,467,011	11.5*
Northwestern Region	$ 3,835,879d	$ 9,284,093	....
Central Western Region	42,185,134	47,039,678	10.3*
Southwestern Region	21,525,529	22,303,202	3.5*
Western District	$ 59,874,784	$ 78,626,973	23.8*
United States	$142,646,580	$176,243,935	19.1*
Atlantic Coast Line RR Co., Florida East Coast Ry Co., Seaboard Air Line RR Co.			
System	$ 9,271,924	$ 7,363,977	25.9
Florida	3,478,857	2,747,827	26.6

d—deficit.
*—decrease.

Authorities:

I.C.C. Statement No. M-100 for three months ended March 31, 1948, for Districts and Regions.

March 1948 Mo. Rept Ser. No. 463 of Association of American Railroads, Bureau of Railway Economics.

Monthly reports of revenues and expenses to Florida Railroad and Public Utilities Commission.

[fol. 1124]

PROTESTANT'S EXHIBIT NO. 65

I. C. C. Docket No. 30140

Witness: Pettijohn

Actual Calendar Year 1948 Revenues, Expenses and Net Railway Operating Income Compared with Similar Data for Three Months, Six Months, and Nine Months, Expanded by Factors Representing a Twenty Year Average. Atlantic Coast Line Railroad Company, Florida East Coast Railway Company, and Seaboard Air Line Railroad Company.

	Freight Revenue	Passenger Revenue	Total Revenue	Operating Expense	Net Railway Operating Revenue	Net Railway Operating Income
Three months ended March 31, 1948	$ 62,162,035	$14,498,993	$ 83,304,684	$ 63,472,029	$19,832,655	$ 9,271,924
Ratio of Year	27.1377	31.6333	28.1290	25.4701		39.0454
Expanded to yearly basis—Combined	229,061,545	45,834,589	296,152,313	249,202,119	46,950,194	23,746,521
Expanded to yearly basis—Individual	229,172,723	45,683,177	296,441,980	249,058,101	47,383,879	23,898,967
Six months ended June 30, 1948	124,455,235	24,055,759	160,237,220	125,808,326	34,428,894	15,291,203
Ratio of year	53.6163	55.3691	53.8155	50.1390		64.9655
Expanded to yearly basis—Combined	232,122,013	43,446,180	297,752,915	250,919,096	46,833,819	23,537,421
Expanded to yearly basis—Individual	232,269,993	43,357,468	298,021,580	250,861,482	47,160,098	23,766,987
Nine months ended September 30, 1948	175,181,701	33,458,131	225,328,097	183,593,282	41,734,815	16,881,889
Ratio of year	74.7192	77.1213	75.0372	73.1051		75.4559
Expanded to yearly basis—Combined	234,453,394	43,383,775	300,288,519	251,136,079	49,152,440	22,373,186
Expanded to yearly basis—Individual	234,511,784	43,352,856	300,355,868	251,117,264	49,238,704	22,236,473
Actual—1948	232,212,859	43,281,659	297,685,298	246,509,450	51,175,848	20,169,648
Actual—1947	207,272,552	45,197,956	274,625,212	232,912,173	41,713,039	13,383,694
1947 Net Railway Operating Income adjusted to exclude $1,400,000 Federal Income Tax Refund to F. E. C. and $1,030,000 occasioned by A. C. L. change in accounting for Foreign Line tickets						$10,953,694

Source: Association of American Railroads, Bureau of Railway Economics, Monthly Report Series.
Annual reports to Florida Railroad and Public Utilities Commission.

[fol. 1128]

I.C.C. Docket No. 30140

PROTESTANT'S EXHIBIT No. 69

Witness: Pettijohn

Net Railway Operating Income
Six Months Ended June 30

District or Region	1948	1947	Percentage Increase
New England Region	$ 10,635,903	$ 6,870,054	54.80
Great Lakes Region	56,141,212	50,374,104	11.45
Central Eastern Region	63,174,639	53,195,167	18.76
Eastern District	$129,950,854	$110,439,325	17.67
Pocahontas Region	$ 42,554,729	$ 47,478,267	10.37*
Southern Region	69,828,951	56,921,937	22.67
Southern District	$112,383,680	$104,400,204	7.65
Northwestern Region	$ 28,529,409	$ 34,202,192	16.59*
Central Western Region	90,994,784	81,608,181	11.50
Southwestern Region	49,080,193	43,121,164	13.82
Western District	$168,604,386	$158,931,537	6.08
United States	$410,938,920	$373,771,066	9.94
Atlantic Coast Line RR Co., Florida East Coast Ry. Co., Seaboard Air Line RR Co.			
System	$ 15,291,203	$ 10,126,803	51.0
Florida	5,402,403	3,379,639	59.9

* indicates decrease.

Authorities:

I.C.C. Statement No. M-100, for six months ended June 30, 1948 for Districts and Regions.

Mo. Rept. Ser. No. 466, Association of American Railroads, Bureau of Economics for three principal Florida railroad system returns.

Monthly reports of revenues & expenses to Florida Railroad and Public Utilities Commission.